


TAX PAYMENT
CALENDAR

SEPTEMBER
2011

| <u>Date</u> | | | <u>Completed</u> | |
|---------------------|---|--|---|--|
| <u>Payroll Date</u> | <u>Deposit Date</u> | Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter. |  | |
| Aug 27 - 30 | Sept 2 | | | |
| 31 - Sept 2 | 8 | | | |
| Sept 3 - 6 | 9 | | | |
| 7 - 9 | 14 | | | |
| 10 - 13 | 16 | | | |
| 14 - 16 | 21 | | | |
| 17 - 20 | 23 | | | |
| 21 - 23 | 28 | | | |
| 24 - 27 | 30 | | | |
| 28 - 30 | Oct 5 | | | |
| 2 | US Treasury Department Anniversary. | | | |
| 5 | Labor Day. | | | |
| 11 | Patriot Day. | | | |
| 11 | National Grandparent's Day. | | | |
| 12 | Michigan sales and use tax deposit for month of August to claim early payment discount. | | | |
| 15 | Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during August. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter. | | | |
| 15 | Corporations with fiscal year ending September 30, December 31, March 31, or May 31: <ul style="list-style-type: none"> • Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit. | | | |
| 15 | Corporations with fiscal year ending June 30: <ul style="list-style-type: none"> • Federal Income Tax Return - Form 1120 or 1120-S. • Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return. • Pay accrued compensation, charitable contributions, retirement plan contributions, etc. | | | |
| 15 | Businesses with fiscal year ending November 30, February 28, May 31, or August 31: <ul style="list-style-type: none"> • Pay MBT estimate to State of Michigan. | | | |
| 15 | Third voucher due for individual income tax estimates - both State and Federal. | | | |
| 17 | Anniversary of the US Constitution. | | | |
| 20 | Michigan combined Sales, Use, Withholding and MBT Estimate Return for the month ended August 31. | | | |
| 23 | Autumn begins at 5:04 AM, EDT. | | | |
| 30 | Businesses with fiscal year ending May 31: <ul style="list-style-type: none"> • File MBT return and pay balance due to State of Michigan. | | | |



AUGUST

| SU | M | T | W | TH | F | SA |
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| | 1 | 2 | 3 | 4 | 5 | 6 |
| 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 |
| 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 28 | 29 | 30 | 31 | | | |

SEPTEMBER

| SU | M | T | W | TH | F | SA |
|----|----|----|----|----|----|----|
| | | | | | 1 | 2 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 |

OCTOBER

| SU | M | T | W | TH | F | SA |
|----|----|----|----|----|----|----|
| | | | | | | 1 |
| 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| 30 | 31 | | | | | |



September 2011

THE IMPORTANCE OF UPDATING BENEFICIARY DESIGNATIONS

A recent U.S. Supreme Court decision reminds us of the importance of keeping beneficiary designations current. The case involved a \$400,000 employer-sponsored retirement account, owned by William, who had named Liv as his beneficiary way back in 1974 shortly after they married. The couple divorced 20 years later in 1994. As part of the divorce decree, Liv waived her rights to benefits under William's employer-sponsored retirement plans. However, William never got around to changing his beneficiary designation form with his employer.

When William died in 2001, Liv was still listed as his beneficiary. So, the plan paid the \$400,000 to Liv. William's estate sued the plan, saying that because of Liv's waiver in the divorce decree, the funds should have been paid to the estate. The Court disagreed, ruling that the plan documents (which called for the beneficiary to be designated and changed in a specific way) trumped the divorce decree. William's designation of Liv as his beneficiary was done in the way the plan required, Liv's waiver was not. Thus, the plan rightfully paid the \$400,000 to Liv.

The outcome of this case was largely controlled by its unique facts. If the facts had been slightly different (such as the plan allowing a beneficiary to be designated on a document other than the plan's beneficiary form), the outcome could have been quite different. However, it still would have taken a lot of effort and expense to get there. This leads us to a couple of important take away points.

The first is that if you want to change the beneficiary for a life insurance policy, retirement plan, IRA, or other benefit, use the plan's official beneficiary form rather than depending on an indirect method such as a will or divorce decree. The second point is that it's important to keep your beneficiary designations up-to-date. Whether it is because of a birth, death, marriage, divorce, or some other life changing event, beneficiary designations made years ago can easily become outdated.

One final thought regarding beneficiary designations: While you're verifying that all of your beneficiary designations are current, make sure you've also designated secondary beneficiaries where appropriate. This is especially important with assets such as IRAs, where naming both a primary and secondary beneficiary can potentially allow payouts from the account to be stretched out over a longer period and maximize the time available for the tax deferral benefits to accrue.

FUTA SURTAX NO LONGER APPLIES

Congress has allowed the 0.2% federal unemployment (FUTA) surtax to expire as of June 30, 2011. Since 1976, the surtax has been part of the FUTA tax rate that employers pay on the first \$ 7000 of wages paid annually to each employee. The FUTA tax rate had previously included the 6.0% permanent tax rate, plus the 0.2% temporary surtax, less the state unemployment credit (generally 5.4%) for a net FUTA rate of 0.8%. Beginning July 1, 2011 the net rate drops to 0.6%.

Because of this midyear change, employers need to separately track FUTA wages paid before 7/1/11 from FUTA wages paid after 6/30/11. Employers who make quarterly FUTA deposits (because their FUTA tax for the year exceeds \$ 500) will need to take this rate change into account when making their third quarter deposit due October 31. If Michigan is determined to be a credit reduction state for 2011 as it has for the past two years, any resulting additional FUTA penalty tax must be paid as part of the fourth quarter deposit due January 31, 2012.