Date

Payroll Date	Deposit Date
Sept 25 – 27	Oct 2
28 – 30	4
Oct 1	4
2 – 4	9
5 – 8	11
9 – 11	17
12 – 15	18
16 – 18	23
19 – 22	25
23 – 25	30
26 – 29	Nov 1
30 – Nov 1	6

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 fourth quarter (third quarter for September payroll deposits due in October).

Completed

Date		Completed
1	Michigan Annual Report for Non-Profit Corporations.	
14	Columbus Day Observance.	
15	Michigan sales and use tax deposit for month of September to claim early payment discount.	
15	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during September. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.	
15	Corporations with fiscal year ending October 31, January 31, April 30, or June 30: ▪ Deposit estimated federal income tax electronically. Indicate Form 1120 and Federal Tax Deposit.	
15	Corporations with fiscal year ending July 31: ▪ 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	Corporations with fiscal year ending December 31, March 31, June 30, or September 30: ▪ Pay CIT estimate to State of Michigan.	
21	Michigan combined Sales, Use, Withholding and CIT Estimate Return for the quarter and month ended September 30.	
25	State Employer's Quarterly Wage/Tax Report (Form UA-1028). Pay to State of Michigan – Unemployment Agency.	
31	Quarterly payroll reports and deposits: ▪ Form 941 – Employer's Quarterly Federal Tax Return – deposit balance due electronically. Indicate Form 941, Balance Due on Return, and third quarter. ▪ Federal Unemployment Compensation tax deposit for third quarter if the cumulative undeposited tax liability exceeds $500 – deposit electronically. Indicate Form 940 and third quarter.	
31	Corporations with fiscal year ending June 30: ▪ File CIT return and pay balance due to State of Michigan.	
31	All Hallow's Eve.	

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**		

NOVEMBER

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 2013

DESIGNATED ROTH ACCOUNTS – AN OPTION WORTH CONSIDERING

More and more employer retirement plans are allowing employees the option of making elective contributions to Designated Roth Accounts (DRAs). [DRAs are often referred to as Roth 401(k) accounts.] For plans with this option, it's worth considering, especially if contributions to Roth IRAs are not available because of income limitations. Here are the ins-and-outs of DRAs and why they may be attractive to some plan participants.

What Is a DRA? An employer retirement plan that allows employee elective contributions [e.g., a 401(k) plan] may include DRAs as part of the plan. Unlike employer contributions and pre-tax employee elective deferrals (which are excluded from the employee's taxable income), contributions to DRAs are currently includible in gross income. However, a qualified distribution from a DRA is free of federal income tax. DRA contributions are employee elective contributions that are: (1) irrevocably designated by the employee at the time of the contribution election as Roth contributions; (2) treated by the employer as wages and included in the employee's income at the time of the contribution; and (3) maintained in a separate account. DRAs are only available if they are provided for in the plan document. The funds must be maintained in separate accounts that can be rolled over to either a Roth IRA or a DRA in another qualified plan.

After-tax DRA Contributions vs. Pre-tax Elective Deferral. The following general principles should be considered when deciding on when an after-tax DRA contribution may be preferable to a pre-tax elective deferral.

- Assuming that the participant will contribute the same amount to either the DRA or pre-tax elective deferral (i.e., the additional current taxes resulting from the DRA contribution are paid with outside funds), the longer the period the funds will be invested, the more beneficial the deferral and tax-free distribution of the DRA. In the long term, a taxpayer will accumulate more after-tax income under a DRA than a pre-tax elective deferral account. The shorter the period the funds will be invested, the more beneficial the immediate tax savings of the pre-tax elective deferral.
- A taxpayer who expects to be in a higher tax bracket at retirement than today would favor a DRA with its tax-free withdrawals at retirement, while an individual who expects to be in a lower tax bracket at retirement would favor an elective deferral with its current deduction at today's higher tax rate.
- A DRA may be preferable for taxpayers currently in a low tax bracket who anticipate remaining so in the future. They will realize little or no immediate tax savings from making a pre-tax elective deferral.

Designated Roth Accounts vs. Roth IRAs. Assuming the taxpayer has the option of contributing to a DRA and/or Roth IRA, DRAs have some significant advantages including the following:

- DRAs have no income limit that would restrict a plan participant from making a contribution. Roth IRA contributions are not allowed for 2013 once the individual's modified AGI exceeds $ 188,000 if married filing joint, $ 127,000 if unmarried, or $ 10,000 if married filing separately.
- Larger contributions can be made to a DRA (up to $ 17,500 for all DRA contributions and pre-tax elective deferrals in 2013; $ 23,000, if age 50 or older by the end of the year). For 2013, Roth IRA contributions are limited to $ 5,500 ($ 6,500 if age 50 or older by the end of the year).
- An employer can make matching contributions on employee DRA contributions. However, only an employee's DRA contributions can be allocated to the DRA. The matching contributions made on account of DRA contributions must be allocated to a pretax account, just as matching on pretax elective contributions.

On the other hand, Roth IRAs have some advantages over DRAs, not the least of which is that the individual controls the Roth IRA – where it is set up, how funds are invested, and when distributions are made. The DRA has to be a part of an employer retirement plan and, as such, is subject to the plan's distribution restrictions. Other advantages include:

- Roth IRAs are not subject to the minimum distribution rules until after the owner's death. Distributions from DRAs must start when the participant turns age 70½.
- Distributions can be made from a Roth IRA at any time and amounts are considered to come first from Roth IRA contributions. So, nonqualified distributions are not taxable until all contributions made to all of the owner's Roth IRAs have been withdrawn. DRAs generally cannot be distributed until the participant separates from service with the employer or reaches age 59½. Also, contributions and earnings are considered to be distributed prorata.