

October 2018

Citation and resource guide

Supreme Court decision in *Wayfair* affects online sellers

The Supreme Court's opinion in *South Dakota v. Wayfair, Inc.*, 6/21/18, can be found at www.supremecourt.gov/opinions/17pdf/17-494_j4el.pdf.

Buy-write strategies for a flat market

The IRS explains the tax treatment of covered calls on page 59 of IRS Publication 550, "Investment Income and Expenses," at www.irs.gov/pub/irs-pdf/p550.pdf.

Bond ladders may hedge interest rate hikes

For an explanation of bond premium amortization, go to page 33 of IRS Publication 550, "Investment Income and Expenses," at www.irs.gov/pub/irs-pdf/p550.pdf.

Practice development tip

Urge clients to enroll in Medicare on time

Full retirement age for Social Security benefits is now 66 or older. Therefore, clients may miss the importance of enrolling in Medicare at age 65.

A delay can be costly. The standard monthly premium for Medicare Part B, which covers medical costs such as doctor bills, is \$134 a month this year. High-income seniors pay as much as \$428.60 a month. Those who enroll in Part B after their initial eligibility pay a 10% penalty for each year they delay. This penalty goes on indefinitely, as long as someone is covered by Medicare Part B.

Example: Mary Warner waits 2 full years after her initial enrollment period before enrolling in Part B. (This period begins 3 months before and ends 3 months after the month someone reaches age 65.) Mary will have to pay a 10% penalty for each of these 2-year periods, resulting in a 20% penalty.

Assume that Mary would owe a \$150 monthly Part B premium without a penalty. She would have to pay \$180 a month: 20% more. This 20% penalty would last for as long as Mary has Part B coverage. If she had delayed her enrollment for only 23 months, she would, instead, have to pay only a 10% monthly penalty because only 1 full-year period of delay was involved.

Employer coverage

As explained, missing the deadline for penalty-free enrollment in Part B can be costly. There is an exception for those covered by a qualified group health plan based on current employment.

You should emphasize to clients that this exception applies if the employer has 20 or more employees. People with such group health coverage may be able to delay enrolling in Part B (and Part A for hospital coverage, as well), yet avoid a lifelong penalty if they enroll within 8 months after that coverage ceases.

That's not the case, though, if the group health coverage comes from an employer with fewer than 20 employees. Medicare advises people with coverage through these small group health plans to sign up for Part A and Part B when they are first eligible.

You can pass on this advice to clients who have health coverage through such small businesses. Signing up for Medicare Part B when first eligible can spare them a lifetime of unnecessarily expensive premiums.

Practice development and management resources from the AICPA

For more information or to order, log on to aicpastore.com or call 888.777.7077.

AICPA Personal Financial Planning Summit— January 7–9, 2019

The AICPA PFP Summit is a deeper dive into critical topics for personal financial planners and CPAs. Join this gathering of the most curious and experienced minds in wealth management to discuss challenging topics in the profession. Now through November 30, non-members are eligible to register at the member rate!

If you have any questions prior to registering, please call 888.777.7077 or visit www.AICPAStore.com/PFPsummit2019 for more details.

AICPA Personal Financial Planning Membership Section

The AICPA Personal Financial Planning Section membership is voluntary for CPAs and other professionals who provide personal financial planning services to individuals and families. The PFP Section member benefits include *The CPA's Guide to Financial and Estate Planning*, among numerous practice guides, as well as free web seminars led by renowned experts, award-winning newsletters like *Planner*, and invaluable networking opportunities with CPAs around the country.

[Item no. 03-NEW-2018 —AICPA Member \$99.00]

AICPA PCPS/CPA.com MAP Survey National Summary

The AICPA's Private Companies Practice Section (PCPS) partnered with CPA.com on the National MAP (Management of an Accounting Practice) Survey, which was fielded from mid-May through July 2016. This summary provides financial and other key benchmarking data from the survey. This product will provide you with comparative benchmarking data relative to firm size and region that can help you create strategic goals and maximize your firm's performance.

[Item no. PCPSSUR03—AICPA Member \$200.00, Nonmember \$300.00]

Management of an Accounting Practice eHandbook

This is your go-to resource for all things practice management. Streamlined online guidance for easy reading

and quick reference on the topics you care about: employee compensation and benefits, staffing, disaster recovery, firm organization, benchmarking, strategic planning, and more!

[Item no. MAP-XX—AICPA Member \$149.00, Nonmember \$189.00]

MAP On Track

Often, practitioners and small- to medium-sized firms find it challenging to stay on top of firm management responsibilities. The new Management of an Accounting Practice On Track (MAP On Track) will help keep you organized. This new scheduler is easy to download and functions as an add-in to Microsoft Outlook, adding tasks to keep your firm running throughout the year. As an added bonus, within the automatically scheduled tasks, you'll find useful links to relevant content within the comprehensive MAP eHandbook as well as PCPS tools that can inform your next steps.

[Item no. MAPTKD—AICPA Member \$229.00, Nonmember \$289.00]

CPA Client Bulletin Select

Do you ever wish you had more flexibility with your CPA Client Newsletter content? Now you can with this new monthly offering from the AICPA. Optimize your client and prospect communications with the AICPA's trusted CPA Client Newsletter content, now available in a flexible, editable MS Word format for use in your firm blog, social media outlets, traditional client newsletter communications, and beyond.

[Item no. PCN1301W—AICPA Member \$589.00, Nonmember \$739.00]

Need help with your subscription?

Contact our Member Service Center at 888.777.7077 or service@aicpa.org.

Questions or comments about the content?

Contact Whitney Woody, Managing Editor, at 919.402.4857 or CBeditor@aicpa.org.



The unified voice of AICPA and CIMA

The *CPA Client Bulletin* (ISSN 1942-7271) is prepared for the clients of AICPA members and other practitioners. The Bulletin carries no official authority, and its contents should not be acted upon without professional advice. Printed in the U.S.A. Sidney Kess, CPA, JD, Editor. For AICPA customer service, call 888.777.7077 or visit aicpastore.com.

© 2018 Association of International Certified Professional Accountants. All rights reserved. AICPA and American Institute of CPAs are trademarks of the American Institute of Certified Public Accountants and are registered in the United States, European Union, and other countries. The Globe Design is a trademark owned by the Association of International Certified Professional Accountants and licensed to the AICPA.