



Client Tell

Blackburn, Childers, and Steagall, PLC
Certified Public Accountants and Consultants

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Blackburn, Childers & Steagall, PLC Quarterly Newsletter

Top Ten Obamacare Questions

By Jake Hutchison



Does the ACA affect my 2014 individual income tax return?

Yes, ACA requires most US residents, to have minimum essential health insurance coverage or pay a penalty.

What does it mean to have minimum health insurance?

A minimum health insurance plan has to offer 10 essential benefits: ambulatory service, emergency service, hospitalization, maternity care, mental health, prescription drugs, rehabilitative service, laboratory service, preventive, and pediatric service. Please note oral and vision care are not listed for adults.

Do I have to switch my current plan to the new government health plan (exchange) in order to avoid being penalized?

No, as long as your current plan meets the above minimum health coverage requirements.

Are children or senior citizens subject to this new requirement?

Yes, every household member including children must have minimum health insurance (MHI) or qualify for an exemption for every month in 2014. Otherwise, the adult who claims the child will generally owe a penalty. Senior citizens are required to have MHI or an exemption as well.

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BCS Phone Bank - Taxing Times at WJHL





Culture: A Leader's #1 Responsibility

Part II

By Tommy Greer

In the winter newsletter we looked at what is culture and why it is a leader's #1 responsibility. So now let's look at how you create and maintain a healthy culture.

Hiring the Right People

It all starts with getting the right people on the bus, as Jim Collins would say. The more people are like-minded when it comes to culture the more successful you will be.

If half the battle is "buy-in," let's at least start with people who have the same principles, moral foundation, and beliefs. Trust me, this removes many problems right off the bat.

Look for people with positive attitudes; no one enjoys being around people that have negative attitudes. These people bring others around them down and can quickly sour the whole organization.

People will mess up, miss the target and sometimes completely drop the ball, but the more people you have working towards the same goal, in this case a healthy, vibrant culture, the overall team will still succeed. It's called picking each other up!

"Like-minded" does not mean "the same" though, while we make up one team, we are all gifted differently and many times it takes another person's strengths to make up for my weaknesses. When we work with this mindset and appreciate and encourage one another, the whole team wins.

How You Treat Them

Goals are always better than rules – A successful organization has organizational goals that are clearly communicated and then individual goals that contribute towards the overall success. If this is done well, less rules are then needed. People usually work better in this environment than one heavy laden with rules and are typically happier.

Invest in your people – Whether it is ongoing training that makes them better, or providing the best technology and equipment to help them do their job, both are important to making people feel valued.

Be responsive to the needs of your employees – anything that aids in a healthier work/life balance contributes to a better culture. Flex time, part time, work from home options, ability to go to child's soccer game are all appreciated by your employees.

Show appreciation throughout the organization – most of the time people view this as top-down only, but the most successful cultures show appreciation to each other up, down and sideways, across departments, locations, etc. Many times the simplest but most powerful form of this is in our words either spoken or written.

Have fun – celebrating successes and having a relaxed atmosphere are very important.

Leaders Modeling the Type of Culture Wanted

Culture is shaped mostly by how your leaders act. Is teamwork being modeled? Is integrity being shown in all situations? Are leaders maintaining positive attitudes when facing adversity? Are leaders truly caring and investing in others? Are leaders having fun and celebrating successes or just moving on to the next challenge? All tough questions but ones we must each ask ourselves as leaders if we truly want to build a winning culture!



Personal Lines



Kala Hyder Congratulations to Kala and Trevor Hyder on the birth of their daughter, Natalie Elizabeth. She was born on January 20th, and weighed 7 lbs., 9 oz., and was 20 inches long.



New Tax Interns From left to right, front row: Michael Fernando (Tusculum College), Samantha Amador (ETSU), Heather Dykes (ETSU graduate), Lauren Ford (Wofford College). Back row: Garrett Ewers (MTSU graduate), Luke Falasca (Milligan College).



New IT Intern

Anthony Capaforte (Milligan College).



Rachel Ricker Rachel is the new administrative assistant in the Greeneville office. She comes to BCS with over five years of experience as an administrative assistant and billing specialist.

Continued from back cover

Enrollment for SHOP became available on-line November 15, 2014. Go to Healthcare.gov to find your state's SHOP. Employers must enroll online. No paper applications are available.

There is good news for small tax-exempt (non-profit) employers too. The credit is refundable, so even if eligible businesses have no taxable income, they may be eligible to receive the credit as a refund as long it does not exceed their income tax withholding and Medicare tax liability. The refund payments are subject to sequestration.

New Reporting Requirement for 2015

Employers with 50 or more FTE employees who offer

employer-sponsored self-insured coverage to its employees have a new reporting requirement for 2015:

By the filing deadline in 2016, the employer must complete and submit FORM 1094-C and FORM 1095-C to report 2015 information about individuals who have minimum essential coverage under the employer plan; and therefore, are not liable for the individual shared responsibility payment for the months that they are covered under the plan.

- FORM 1095-C is completed for each employee who offered health coverage
- FORM 1094-C is the Summary of all FORMs 1095-C

Client Feature

Borla



“Borla has been in business for over 37 years, and we were a 15-year overnight success!” said Alex Borla, who founded the company in 1978 in New York with his wife and partner, Alyse. Among many products, Borla is known for making premier performance exhaust systems, headers, pipes, and polished tips for vehicles in their Carter County facility.

“The Borlas really started the industry of aftermarket exhaust systems,” said Allen Stoner, CFO. After relocating to California in 1983, the company grew through the marketing and sales efforts of Alyse Borla and later David Borla, and Alex Borla’s connections in the auto industry, like Carroll Shelby. When it outgrew the facility in California, they began a nationwide search for a new location. In 2008, they decided to move part of the company to Carter County, in the old Texas Instruments/Siemens facility.

The year 2008 was a great time to relocate. “Alex foresaw the trouble coming with the American automotive industry, and the bulk of the company was moved when the demand was low,” said Allen.

Eighty percent of Borla’s cus-

tomers base is now within one-day shipping. That is one of the reasons for choosing Carter County as the site for the new facility, along with the management and IT people who were already in place with Siemens.

“The workforce is the greatest asset this area has,” said Alex Borla. “The work ethic of the people here is the best, it’s a different mindset. Any company is only as good as people who work with you. The tax incentives are great, but the workforce can make it or break it in one day.”



Economic development is an important part of the way Borla gives back to the community. “We help out the trade schools, give them materials to use in welding, help them train. We

have tenants in our building, mostly smaller start-up companies,” said Allen.

In addition to the exhaust line, Borla has expanded to include induction and carbon fiber. The company is looking towards the future by diversifying, looking for new opportunities and increasing production. Borla increased production by 20% last year, and still demand was greater than supply. “By hiring engineers and draftsmen, we’re building a firm foundation for continued growth,” said Allen.



Performance Industries



Borla is called the world's winningest exhaust. They are involved in many different racing circuits, from NASCAR to off-road truck racing.

Borla is the highest quality exhaust system, and is known all over the world as the premier brand in the auto industry. Having a high quality product "Made in America" is certainly important to Americans, but is also seen as a status symbol in Asia and the Middle East.

Borla will be featured on the Ion TV show "World's Greatest" as the world's greatest exhaust system this spring. Currently, "Motorhead Garage" is filmed in the Borla facility, and you can watch that on the Velocity TV channel as well as online at masterstv.com.

To learn more about Borla, visit their website or download their app, which will let you listen to sounds of exhaust systems in different vehicles. Borla guarantees their products with a million mile warranty, and you can buy their products online and install them yourself.

"We design a product that is the extension of a person's lifestyle," said Allen. "We deliver value, quality, sound level options, and we build excitement."





When Should You Take Social Security?

By Nathan Goodwin

Have you given any thought to when you'll begin taking Social Security income?

It's a more important question than you might think. When you start benefits will not only have a big impact on how much you'll receive, but can also affect spouses, children, and survivors. Here are a few things to think about.

First, know your full retirement age (FRA). This is the age at which you're eligible for your full benefit. If you were born before 1938, it's still 65. However if you were born in 1938 or later, your FRA gradually increases until it reaches 67 for those born after 1959. You can start receiving benefits as early as 62, or delay to age 70. To start at 62 means about a 25% reduction in your full benefit, while delaying benefits past your FRA will result in 8% increases each year. Not a bad return, especially in today's low interest rate environment.

In considering when to start benefits, these two questions can be a good starting point...What is my current financial

position, and how long do I expect to live? Obviously one of these is a little easier to answer than the other. Knowing how long one will live is a difficult question, but looking to family history can sometimes be helpful. If you're married, another set of options presents itself about filing and suspending.

At BCS Wealth Management we have the tools needed to run many scenarios to help you determine the best strategy for you. Ultimately, the decision is yours, but don't make the decision hastily and without knowing your options. This is the time of year for tax returns and getting your financial house in order. Whether your questions are about Social Security or your investment portfolio, call us today for a free consultation.

Nathan Goodwin, JD, PFP, is a financial advisor for BCS Wealth Management in the Kingsport office. He is available for free 30-minute consultations with any BCS client, and he appreciates your referrals.

Register now by mailing form to BCS, or call Kendra Hopson at 423.282.4511, or register online at BCScpa.com.

BCS ACCOUNTING UPDATE SEMINAR

CPE SCHEDULE

Please choose one class per concurrent session.

General Session - Tech Update - 2 hours

Concurrent Session 1 - 1 hour

- Tennessee Ethics Part 1
- OMB Grant Reform and the New Super Circular
- Internal Controls for Computing Assets and Remote Access
- Individual Tax Planning

Concurrent Session 2 - 1 hour

- Tennessee Ethics Part 2
- FASB Update
- Investing for Retirement
- Excel Tips & Tricks

Concurrent Session 3 - 1.5 hours

- PPACA Expert Panel
- Detecting Fraud
- Individual Tax Planning/Investing for Retirement

Concurrent Session 4 - 1 hour

- GASB Pension Update
- Advanced QuickBooks
- PPACA Expert Panel Q & A
- Managing the Church's Money

Closing Session - Managing Business Mayhem - 1.5 hours

Name _____ Title _____

Business/Organization _____

Address _____

City _____ State _____ Zip _____

Email _____ Phone _____

I have dietary restrictions, please contact me to arrange lunch.

**REGISTER BY APRIL 1, PAY ONLY \$125.
REGISTRATION AFTER APRIL 1 IS \$175.**

Continued from front page

Does each member of my household have to have minimum health insurance for every month in 2014?

The simple answer is yes. To avoid being penalized, every household member must have minimum health insurance for each month in 2014. If you have qualified coverage for one day during the month, that qualifies you to have qualified coverage for the entire month.

In previous years, I have not had to file a return. Do I have to file a 2014 return to show that I had health insurance?

If you are not required to file a tax return and do not want to file a return, you do not need to file a return solely to report your coverage or to claim an exemption.

My wife, the kids, and I had qualified health insurance for all of 2014. How do we report this on our return?

If every household member had minimum health insurance for each month in 2014, simply check the box on line 61, page 2 of Form 1040.

Do I qualify for an exemption to not be penalized?

You may qualify for an exemption, some examples are: you recently experienced the death of a close family member or you had medical expenses you could not pay. For a com-

plete exemption listing please visit <https://marketplace.cms.gov/applications-and-forms/exemption-application.html>

Do I qualify for the premium assistance tax credit?

A refundable tax credit is available for insurance policies through the new governmental exchange if certain criteria are met. In order to qualify, you must purchase health insurance through the new governmental exchange and your family's household income must be between 100% and 400% of the Federal Poverty Level.

What additional information do I have to bring this year because of these new ACA requirements?

If your household has qualified insurance for the entire year, BCS client's need to complete the tax time and tax organizer questions. Copies are available at: <http://www.bcscpa.com/services/individual.html>. If you purchased the new governmental exchange insurance, you will receive Form 1095-A. You will need to bring this form along with your completed tax time and tax organizer.

For more information on the new 2015 employer ACA obligations, please visit our blog on BCScpa.com.

Do not hesitate to call our office with any ACA questions or any other tax questions.

National Wear Red Day



BCS Blackburn, Childers & Steagall, PLC

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Update for Employers Who Offer Health Insurance Coverage to Employees By Gina Lemons

Small Business Health Care Tax Credit

Employers with 24 or fewer full-time equivalent (FTE) employees who offer health insurance coverage to its employees may qualify for the Small Business Health Care Tax Credit. This credit has been available to Small Business employers who have met the requirements since 2010. For tax years beginning in 2014 or later, a third requirement has been established. These requirements are listed below.

- Employees must have average annual wages below \$50,000
- Employer contributes a uniform 50% or more towards employees' self-only premium costs
- NEW FOR 2014: Employer must purchase insurance for employees through the SHOP marketplace

The credit is available to eligible employers for two consecutive taxable years. To receive this credit, eligible employers must use FORM 8941.

Note: The maximum tax credit is available to employers with 10 or fewer FTE employees and average annual wages of less than \$25,000.

What Is the SHOP Marketplace?

SHOP is an acronym for Small Business Health Options Program. Employers can shop and compare health insurance plans, enroll and manage coverage, and control how much they pay towards employee premiums. Employers must meet the following requirements to be eligible for SHOP Marketplace.

- 50 or fewer FTE employees
- An office or employee work site within the SHOP's state
- Offered coverage to all full-time employees
- At least 70% of full-time employees have enrolled in SHOP plan



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