How to Guide Your Client through the Maze of Obama Care

Custom Designed BLI Seminar for NABA Convention

Presented by
Arthur J. Werner
Business Learning Institute Partner

Presented to NABA Convention
Nashville, TN
June 6, 2013
Arthur Werner

Art is currently a shareholder in the law firm of Werner & Rocca, P.C. His areas of practice include business, tax, financial, and estate planning for high net worth individuals. In addition to the practice of law, Art is an adjunct professor of taxation in the Master of Science in Taxation program at the Philadelphia University. He received his Bachelor of Science in Accounting and his Master of Science in Taxation from Widener University. He holds a J.D. in Law from the Delaware Law School.

A member of the Pennsylvania Bar, Art lectures extensively in the areas of estate planning, financial planning, and estate and gift taxation. He has presented in excess of 500 seminars to certified public accountants and financial planners over the past decade. He has been rated as having the highest speaker knowledge in Pennsylvania by the Pennsylvania Institute of CPAs, earned the AICPA Outstanding Discussion Leader Award in Nevada, the Florida Institute of CPAs Outstanding Discussion Leader Award, and the South Carolina Association of CPAs Outstanding Discussion Leader Award.
OTHER COURSES BY THIS INSTRUCTOR

1041 Preparation - Introduction (3-hour webcast)
1041 Preparation - Line-by-Line (3-hour webcast)
A Practical Guide to Trusts
A Practitioner's Guide to Assisting Clients When Buying or Selling a Business
A Practitioner's Guide to IRAs and Qualified Retirement Plans
A Practitioner's Guide to LLCs and S Corporations
A Tax Practitioner Guide to Compensation Planning
Accounting and Financial Reporting Issues for Business Combinations and consolidations
Applying Integrated Estate, Financial and Asset Protection Planning Techniques
Business Communication Skills
Choice of Business Entity
Creative Strategies for Buying, Selling or Gifting a Family Business
Current Developments in Revenue Recognition
Employee Benefit and Retirement Planning: Pension and Deferred Compensation Tools
Estate and Financial Planning for Generations X and Y
Estate and Financial Planning for the Baby Boomer Client (Also available as a 4-hour webcast)
Estate Document Workshop
Estate Planning – Local Issues
Estate Planning – The New Law (2-hour webcast)
Estate Planning Business Issues

Estate Planning for 2012 and Beyond

Estate Planning Update

Estate Planning: Beyond the Basics

Estate Planning--Leveling the Playing Field

Estate, Financial, and Income Tax Planning for the Non-Traditional Client (2-hour webcast)

Fringe Benefit Planning for 2012 and Beyond

Fringe Benefits (4-hour webcast)

How CPAs can Interpret and Apply Business Valuations (2-hour webcast)

IFRS Update: The New Wave in Financial Reporting

Long Term Care Insurance Issues (2-hour webcast)

Postmortem Estate Planning

Revenue Recognition, Business Combinations, and IFRS: A Look at How Changes in these Areas may Affect Decision Making

Special Issues Planning for Generations X and Y (2-hour webcast)

The Acronyms of Estate Planning (2-hour webcast)

The Complete Guide to Preparation of Form 5500

The Complete Guide to Preparing Forms 706 and 709

The Complete Guide to Estate Administration (4-hour webcast)
The Psychology of Planning

Traps and Pitfalls in Estate Planning

Understanding the Reinstated Federal Tax (2-hour webcast)

Visualized Estate Planning

You’re at Risk - Managing Investment Risk (2-hour webcast)
How to Guide Your Client Through the Maze of Obamacare

Presented by
Arthur Joseph Werner, JD MS (Taxation)

Health Care Act (“Obamacare”) – 2010 through 2018
Health Care - 2010

- Small Employer Health Care Credit
- Child Age 26 Excludable Health Care Benefits
- Child Age 26 Self-Employed Health Insurance
- Refundable Adoption Credit
- Tanning Services 10% Tax

Health Care - 2011

- Employer Provided Health Care Benefits Reported on Form W-2
  - Delayed until 2012
- 20% Penalty for Non-Qualifying Distributions from an MSA or an Archer
- No “Over-the-Counter” Drug Reimbursement from an HAS or HRA
- Simple Cafeteria Plans for <100 Employees
Health Care - 2012

- Information Reporting for Corporations
  - REPEALED by Congress in 2011
- Employer Provided Health Care Benefits Reported on Form W-2

Health Care - 2013

- Increased “HI” Tax on Income > $200K ($250K MFJ) – 0.9%
- Surtax on Net Investment Income for High Income Taxpayers – AGI > $200K ($250K MFJ) – 3.8%
- FSA Maximum Annual Medical Expense Limited to $2,500
- Medical Itemized Deduction Threshold Raided to 19%
Health Care - 2014

- Large Employer (50 or more “Full Time Equivalent” Employees) – Excise Tax
- Free Choice Vouchers
  - REPEALED BY CONGRESS – April, 2011
- Premium Assistance Credit
- Penalty for Not Being Insured
  - SUPREME COURT RULED “IT IS A TAX!”

Health Care - 2018

- Excise Tax on High Cost Employer Plans (“The Cadillac Plans”)
Impact of Supreme Court’s Decision on ACA

- Individual mandate is constitutional
  - Penalty for no insurance is really a tax
- Purchase insurance at Exchanges
- Children 19 to 27 on parents’ policy
- Medicare tax increase coming in 2013
- Employer-provided health insurance

Tax Timeline in ACA

<table>
<thead>
<tr>
<th>Provisions</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption Credit Increased/Refundable</td>
<td>1-1-10</td>
</tr>
<tr>
<td>35% Health Ins. Credit for Small Business</td>
<td>1-1-10</td>
</tr>
<tr>
<td>50% Credit on Therapeutic Discovery Project</td>
<td>1-1-10</td>
</tr>
<tr>
<td>Health Insurance for Child under 27 (26 for Groups)</td>
<td>4-1-10</td>
</tr>
<tr>
<td>Economic Substance Doctrine w/ Penalty</td>
<td>4-1-10</td>
</tr>
<tr>
<td>10% Tax on Indoor Tanning Services</td>
<td>7-1-10</td>
</tr>
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</table>
### Tax Timeline in ACA

<table>
<thead>
<tr>
<th>Provisions</th>
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</thead>
<tbody>
<tr>
<td>No Over-the-Counter Drugs in Plans—Get a Doctor’s Rx (See Notice 2010-59)</td>
<td>1-1-11</td>
</tr>
<tr>
<td>New Employer Simple Cafeteria Plans</td>
<td>1-1-11</td>
</tr>
<tr>
<td>20% Penalty on HSA/FSA Nonqualified Distributions</td>
<td>1-1-11</td>
</tr>
<tr>
<td>W-2 Reporting on Employer Health Plan</td>
<td>1-1-12</td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Provisions</th>
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</thead>
<tbody>
<tr>
<td>Form 1099 for Payments to Corporations</td>
<td>repealed</td>
</tr>
<tr>
<td>10% Haircut on Medical Deduction</td>
<td>1-1-13</td>
</tr>
<tr>
<td>$2,500 Maximum Contribution to FSAs</td>
<td>1-1-13</td>
</tr>
<tr>
<td>0.9% Medicare Tax Increase on SE Income &amp; Wages</td>
<td>1-1-13</td>
</tr>
<tr>
<td>3.8% Medicare Tax on Unearned Income</td>
<td>1-1-13</td>
</tr>
</tbody>
</table>
# Tax Timeline in ACA

## Provisions

<table>
<thead>
<tr>
<th>Provisions</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refundable Premium Assistance Credit</td>
<td>1-1-14</td>
</tr>
<tr>
<td>Business Health Ins. ≥50 Employees</td>
<td>1-1-14</td>
</tr>
<tr>
<td>Individual’s Penalty W/ No Health Plan</td>
<td>1-1-14</td>
</tr>
<tr>
<td>Report Employer Health Ins. Coverage</td>
<td>1-1-14</td>
</tr>
</tbody>
</table>

## Provisions

<table>
<thead>
<tr>
<th>40% Excise Tax on Cadillac Health Plan Surcharge on Single Coverage &gt; $10,200 and on Family Coverage &gt; $27,500</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1-1-18</td>
</tr>
</tbody>
</table>
Contact Information

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WHAT IS BLI?

BLI is the training affiliate of the MACPA. BLI’s mission is to deliver competency-based courses, content and community that enhance learning and foster organizational and executive leadership.

BLI has grown into the largest provider of on-site training in the country. Pam and the Customized Learning Solutions team have grown the business in three core segments – Corporate, Firm and Government.

THE BLI CURRICULA

Today’s business environment demands the need to gain competencies and share strategic knowledge. BLI delivers competency-based curriculum, courses, content, and community to enhance learning and grow intellectual capital for organizational and executive leadership.

These soft skills are essentially people skills – the non-technical, intangible, performance skills that determine your strengths as a leader, manager, and team member.

STRATEGIC MANAGEMENT

Strategic conversation reflects the dynamics between the organization and its environment. The closer the language reflects current and potential customer dynamics, the higher the company’s profit potential.

LEADERSHIP DEVELOPMENT

Great leadership is one of the most valued of all human activities. Modern myth holds that “leaders are born not made,” but leadership is a set of observable and learnable practices - it is the process people use when they bring out the best in others and themselves.

BUSINESS MANAGEMENT

As the business world moves at an incredible pace, keeping up is a key to success. Today’s financial managers must be able to translate strategy to operational and corporate growth.

PERFORMANCE MEASUREMENT MANAGEMENT

Executives and managers must effectively transform their firms or companies into high performance organizations and progressively identify and develop the appropriate core competencies and link them to their business strategies.

COMMUNICATION SKILLS

Many people in the business field cannot communicate effectively and, even more damaging, don’t realize it. Success is not defined solely by a product line or service - it relies on relationships formed and maintained through skillful communications. Your competitors know this. Do you?

TECHNICAL EXPERTISE

Keeping up with technical competencies is a core business requirement for financial professionals. Staying attuned to the latest changes, updates, and regulations are necessary components to staying competitive in an ever-changing business environment.

TECHNOLOGY AND COMPUTER SKILLS

Harness the technology you use every day to make your business life easier and allow you to work smarter.

Please note that many programs in this catalog are available in Webcast format. Contact a BLI Customized Learning consultant if you are interested in a Webcast. 888-481-3500