

Volume 2023
Issue 1

The Log: A Werner, O'Meara & Co. Newsletter



Tax Season Changes

As I mentioned last spring, the accounting industry is feeling the effects of the current economy and going through a labor shortage at the same time. Less grad's are entering the field and baby boomer CPA's are retiring at a high rate. Additionally, mid-career CPA's are leaving the grueling hours behind for opportunities with better work-life balance. The result is we have more work than ever to do with less staff. At Werner, O'Meara, & Co., we are deploying strategies to keep our current staff, attract new staff, and balance the work load.

Balancing the work load is where you, the client, comes in. This tax season we have a renewed emphasis on filing extensions which will allow us to spread our work into the fall. Here are some facts about extensions:



- Extensions are NOT a red flag (or any flag) to the IRS. They do not increase the likelihood of an audit.
- Extensions allow an additional 6-months to file paperwork but not to pay—so, we still need to work up an estimate before the deadline. Your first quarter estimated tax payment is due at the same time so we will add it in to your extension.
- Extensions are more cost effective than filing an amended return down the road.

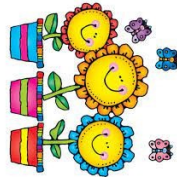
We understand many of you like to have your tax return completed before the first deadline so to accomplish this we have implemented a **cutoff date of March 15th**. You will need submit 100% of your tax documents by this date if you want to avoid an extension.

∞ Aliina Anton-Erik, CPA/PFS

W*erner*
O'Meara & Company PLLC

CPAs and Consultants

19109 36th Ave West, Suite 213
Lynnwood, WA 98036
Phone: 425.774.8888
Email: admin@werner CPA.com



Meet our New Staff!



Hannah Sterling-Duda joined the firm, taking on the role of receptionist, in January 2023. After taking a hiatus from accounting, she realized that the accounting world is really where she belongs. This environment is truly where she feels the best and thrives. Outside of work she spends most of her time at home with her husband and being a mother to her 4 year old son, Cole. She loves every minute of it!

Melissa Barrett joined the administration team in December 2022. After 28 years of administrating a pediatric therapy clinic, she's ready for a new challenge. With a BS in Biology from the University of Minnesota and over 30 years as a group fitness instructor, Melissa's job as our firm's administrator fits well with her can-do attitude. Always upbeat and with a spring in her step, she's ready to dive in and help our clients have an incredible experience. She enjoys crossword puzzles, hiking, working out and nightly home cooked meals prepared by her spouse.



Josh Mathisen is a CPA with a Bachelor's in Accounting and Masters in Business Taxation from the University of Washington and the University of Southern California. He enjoys helping individuals and businesses make smart financial decisions and handle their tax obligations. Outside of the office he loves spending time outdoors - on the lake, fishing in a river, or snowboarding in the mountains.

Madeline Holberg is currently a student at Edmonds Community College. After her time at EDCC is over, she plans to transfer to Central Washington University and continue studying accounting. Madeline joined our firm so she could take a step into the accounting world before starting her BA. When Maddy isn't at school or work she enjoys trying new restaurants, hiking, cooking and baking.



Paid Family and Medical Leave for Self Employed:

Washington's Paid Family and Medical Leave allows participants to take paid time off for major health conditions for themselves or a family member, or to take care of a new baby. Self-employed individuals are not required to participate, but they can elect to take part in the program.

To elect coverage, create an account at <https://paidleave.wa.gov/> and follow the opt in process. Then begin filing quarterly wage reports and paying premiums. Beginning in 2023, premiums will be 0.8% of wages. In order to draw benefits for a qualifying life event, you must have reported \$11,882 of wages, and the premiums paid, in the previous reporting year (or 820 hours of work reported).

Once you qualify for benefits, you can receive up to 90% of your weekly wages, up to a maximum of \$1,327 per week. Benefits can be taken for up to 12 weeks, with an additional 4 weeks if you have more than one qualifying event in the same year or an additional 6 weeks if your qualifying event relates to a serious health condition during a pregnancy.

Paid Family and Medical Leave can provide some insurance and stability in a time of crisis. Self-employed individuals have the opportunity to consider if opting in to the program is the right choice for them.

 Rachel Griscom, CPA

Beware of "ERC Mills"

The Employee Retention Credit (ERC) has been a great way for small businesses to get assistance for retaining employees during the pandemic. Many CPA firms do not calculate these credits so we have seen a large increase in third party companies offering this service.

The third parties send an advertisement for their service which looks like an IRS form. Those third parties also charge large upfront fees or a fee that is based on the credit calculated. Unfortunately, these companies are applying for credits for which employers are not eligible. The IRS recently issued a news release warning employers to be cautious of advertised schemes and direct solicitations promising tax credits that are too good to be true.



 Rachel Sites, CPA