

APRIL 2008

THE "WOSCARS"

We recently held our second annual Whalen Oscars – the "Woscars". Staff members were recognized and received their own "mini Woscar" for accomplishments in work efficiencies, wellness efforts, client service, and positive attitude, to name a few. Congratulations to the winners!

FIRM HAPPENINGS

Patrick McClary, Associate Director, spoke at a financial planner's gathering in February on the individual tax Form 1040 and what to look for in regards to rebalancing a portfolio.

This month, Partner Lisa Shuneson celebrates her 12th anniversary with Whalen & Company, CPAs. She was recently quoted in Business First on the particulars on choice of proper business entity.

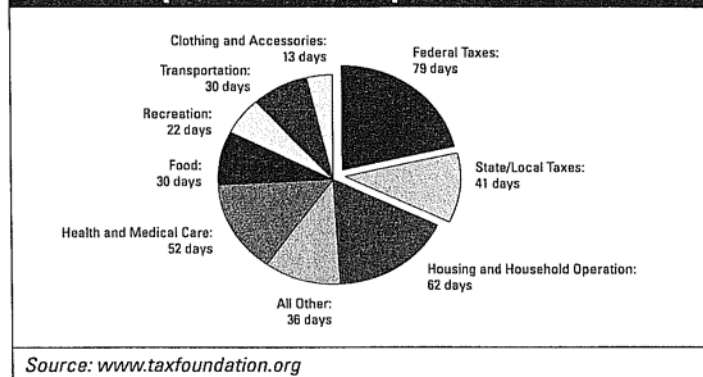
Partner Laura Wojciechowski participated in the National Women's Business Council Town Hall meeting on March 12th at OSU. The Columbus Chapter was honored to host one of only two Town Hall meetings in the country this year. Laura led a "Power Circle" on the topic of strategic alliances and networking.

Additionally, Laura sits on the ATHENA PowerLink Board and they are seeking nominations of women business owners who will be selected as the 2009 recipient of ATHENA PowerLink. A twelve month mentoring process that helps qualified women grow their businesses. For more information, give Laura a call at our office.

OHIO'S RANKING IN TAX BURDEN

According to a recent report published by the Federation of Tax Administrators, the Ohio tax burden fell to 38th in the nation when ranked on a per capita basis. This represents a decline from 2005, when Ohio was ranked 27th. Additionally, the report indicates that Ohio's per capita state tax burden is now lower than any of our neighboring states; the closest, Indiana, is ranked 35th.

Number of Days Americans Work to Pay Their Taxes Compared to Other Expenses — 2007



ABOVE THE LINE HEALTH INSURANCE DEDUCTION

Accident and health insurance premiums paid or furnished by an S corporation for a 2% shareholder-employee may be treated as an above-the-line deduction. A 2% shareholder is any person who owns on any day during the S corporation's tax year more than 2% of the outstanding stock of the corporation.

The S corporation may deduct the cost of such employee fringe benefits; however, a 2% shareholder is not considered an employee for such purposes. Thus, the premiums are not excludible from his gross income. The premium payments must be included in wages for income tax withholding on the shareholder-employee's Form W-2. In addition, the shareholder must report the premium payments or reimbursements as gross income on his Form 1040. Whether the S corporation makes the premium payments for the health insurance policy covering the 2% shareholder-employer; or the 2% shareholder makes the premium payments and furnishes proof of payment for reimbursement by the S corporation, a medical plan has been established and thus qualifies for the above-the-line deduction.

Summer Office Hours: Effective May 1st, we will resume our summer office hours.

Monday - Thursday	8:00 a.m. - 5:00 p.m.
Friday	8:00 a.m. - 3:00 p.m.

BWC BOARD APPROVES FIVE-PERCENT PREMIUM REDUCTION

The Ohio Bureau of Workers' Compensation (BWC) is currently undergoing a number of important reforms to improve its service to Ohio's employers and injured workers. One of the important aspects of the reform is the issue of inequity within Ohio's group-rating program. Recently, the BWC's Board of Directors unanimously approved a five-percent premium rate decrease for private employers, effective for the policy year beginning July 1, 2008. This is the first premium rate decrease for Ohio's private employers since 2001. This reduction will create greater equality between the premiums paid by group-sponsored employers and non-group employers. Furthermore, Ohio's base rate will experience a reduction as well.

The average five-percent rate change will impact employers based on their manual classification. Some manual classifications will realize a rate reduction higher than five percent, while other manual classifications may experience an increase.

Along with this change, comes a thorough review of all the components of Ohio's group-rating program such as rules, group continuity and the possible adoption of a new experience-rating system used by the National Council on Compensation Insurance. As the review continues through December 2008, expect more changes to our current BWC system.

HEALTHY FAMILIES ACT
Sick Pay Debate

Ohio, Pennsylvania, and West Virginia are included in the eleven states considering legislation that would require employers to allow workers to miss a certain number of work days each year to recover from an illness or care for an ailing family member, without a reprimand or lost wages.

Advocates for making paid sick days a basic labor standard argue that missing work because of the flu or a minor injury means lost wages and sometimes a reprimand or dismissal. As a result, many workers show up sick, often spreading illnesses to other. Additionally, they send their kids to school or day care, spreading illnesses to other children. They further contend that industries with the most employees who lack paid sick days are those with the greatest exposure to the public: hotels and food services, home health care and child care.

On the other hand, business owners comprise the largest group objecting to this legislation; they feel the requirement would drive up costs, force layoffs and put some companies out of business. Businesses oppose any efforts to dictate what they say is a discretionary worker benefit. "A one-size-fits-all paid sick-leave mandate threatens employee benefits," said Maureen Ryan of the [National Restaurant Association](#). "Mandatory paid benefits that increase small-business costs would have to be recouped elsewhere, perhaps through reduced wages or fewer paid benefits in other areas," she said.

Sick pay has emerged in national political campaigns as the top issue affecting wage earners. Come Election Day in Ohio, voters may have the opportunity to let their opinions be heard.

THANK YOU FOR YOUR BUSINESS

Thank you for the trust you have in us as your professional service provider. It is our goal to continually meet your needs and grow our firm by working with quality clients like you. If there is someone you know who could benefit from our services, we would be happy to meet with them. The highest compliment you can give us is to pass our name on as a referral.