Date		Completed
Payroll Date → Deposit Date July 1 - 3 → July 8 4 - 7 → 10 8 - 10 → 15 11 - 14 → 17 15 - 17 → 22 18 - 21 → 24 22 - 24 → 29 25 - 28 → 31 29 - 31 → Aug 5	Semi-Weekly Payroll Tax Deposits. Employers that are semi-weekly depositors generally must deposit taxes withheld and FICA taxes on payrolls paid on Wednesday, Thursday, or Friday on or before the following Wednesday, and deposit taxes from payments on other days on or before the following Friday. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and third quarter.	
4	Independence Day.	
13	Michigan sales and use tax deposit for month and quarter ended June 30 to claim early payment discount.	
15	Employers that are monthly depositors must deposit taxes withheld and FICA taxes on payrolls paid during June. Deposit electronically. Indicate Form 941, Federal Tax Deposit, and second quarter.	
15	Corporations with fiscal year ending April 30, May 31, June 30, July 31, August 31, September 30, October 31, November 30, December 31, January 31, February 28, or March 31: • Deposit estimated Federal Income tax electronically. Indicate Form 1120 and Federal Tax Deposit. • Pay CIT Estimate to State of Michigan.	
15	Corporations with fiscal year ending December 31, January 31, February 29, or March 31: • Federal Income Tax Return – Form 1120. • Deposit balance of tax due electronically. Indicate Form 1120 and Balance Due on Return. • Pay accrued compensation, charitable contributions, retirement plan contributions, etc.	
15	Last day for timely filing of:: • Form 1040, MI-1040 – Individual tax returns. • Form 1040ES, 1041ES, MI-1040ES – First and Second estimate due for 2020. • Form 1041 and MI-1041 – Income tax returns for estates and trusts. • Form 709 – Tax returns for gifts made during 2019.	
20	Michigan Sales, Use and Withholding Taxes Return for the quarter and month ended June 30.	
25	State Employer's Quarterly Wage/Tax Report (Form UIA-1028). Pay to State of Michigan-Unemployment Agency	
31	Quarterly payroll reports and deposits: • Form 941 – Employer's Quarterly Federal Tax Return – deposit balance due electronically. Indicate Form 941, Balance Due on Return, and second quarter. • Federal Unemployment Compensation tax deposit for second quarter if cumulative undeposited tax liability exceeds $ 500 – deposit electronically. Indicate Form 940 and second quarter.	
31	Corporations with fiscal year ending December 31, January 31, February 29, and March 31: • File CIT return and pay balance due to State of Michigan.	

JUNE

SU	M	T	W	TH	F	SA
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY

SU	**M**	**T**	**W**	**TH**	**F**	**SA**
			1	**2**	**3**	**4**
5	**6**	**7**	**8**	**9**	**10**	**11**
12	**13**	**14**	**15**	**16**	**17**	**18**
19	**20**	**21**	**22**	**23**	**24**	**25**
26	**27**	**28**	**29**	**30**	**31**	

AUGUST

SU	M	T	W	TH	F	SA
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JULY 2020

MIDYEAR TAX PLANNING FOR RETIREMENT PLANS

In addition to the Coronavirus Aid, Relief, and Economic Security (CARES) Act signed into law on 3/27/20, the Taxpayer Certainty and Disaster Tax Relief Act (Disaster Act) and the Setting Every Community Up for Retirement Enhancement (SECURE) Act, both passed in December 2019, provide tax planning opportunities for this year. The Disaster Act extended (retroactively to 2018, in some instances) many beneficial provisions in the tax law that had expired or were set to expire. The SECURE Act, on the other hand, made significant changes to the retirement rules. We'll highlight retirement planning techniques stemming from these recent bills.

If you're affected by COVID-19 and find yourself in need of additional cash flow, the CARES Act contains several taxpayer-friendly provisions for retirement plan distributions taken prior to the end of 2020. For taxpayers under age 59½, COVID-19-related withdrawals up to $ 100,000 from a qualified retirement account [IRA, 401(k), 403(b), etc.] aren't subject to the normal 10% early withdrawal penalty. While all 2020 withdrawals are still subject to income tax, you have a couple of options to limit the tax burden. First, you may elect to spread the income tax payments over three years rather than pay all of the tax in 2020. You also may recontribute the amount withdrawn to another qualified account within the next three years rather than the standard 60-day rollover timeframe. (No tax is due if you recontribute within the three-year window.) Even if you don't need the cash, this is an opportunity to move funds out of an employer-sponsored plan and into an IRA that you can control.

To qualify for these special rules, you (or your spouse or dependent) must have been diagnosed with COVID-19 or been affected financially as the result of a layoff, reduction in hours, or another inability to work due to COVID-19. If you think you may be eligible, please contact us to review your situation.

If you have funds in a traditional IRA and have been considering converting the account to a Roth IRA, 2020 might be a great year to execute that plan. Current tax rates are relatively low. Given the current economic situation and the possibility of leadership changes following the November elections, it's unlikely tax rates will decrease anytime soon. It's also possible that your income from other sources is down, driving you into a lower tax bracket. Since the CARES Act suspended Required Minimum Distributions (RMDs) for 2020, if you already budgeted to pay tax on your RMD, rolling that distribution to a Roth IRA could be a perfect move. No RMD for 2020 also means that 100% of the distribution can be classified as a rollover.

No one likes to see the value of their retirement account plummet like many of us saw earlier this year, but perhaps there's a silver lining to that decrease in your traditional IRA's value. The depressed value in your IRA means a rollover distribution in a market downturn will contain more assets. Once in the Roth IRA, the recovery of value and ultimate withdrawal will be tax free. Of course, there are possible disadvantages. For instance, increasing your 2020 income could mean more of your Social Security payments will be subject to income tax or result in increased Medicare premiums. Also, unlike a few years ago, the ability to "undo" this conversion no longer exists. Once you convert, it's permanent. All factors should be considered along with your overall retirement plan. Please contact us with any questions.

Last, but not least, the SECURE Act removed the age limitation for deductible contributions to a traditional IRA. So, if you're over the age of 70½ and have earned income, you may want to consider making a deductible IRA contribution in 2020.