



# Tax Pro News

By Practitioners, For Practitioners

Volume 3, No.2

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Accounting Tables are at the Bottom where they belong!

## 2007 Pension Tables

<a href="http://www.taxspeaker.com">www.taxspeaker.com</a>	Traditional IRA	Roth IRA	Non-Deductible IRA	Roth 401-K
<b>Highlights</b>	Excellent savings plan for those not covered by other plans but who have earned income	Great long-term plan that offers tax-free accumulations and withdrawals	Worst of the 3 IRAs but better than nothing	Fantastic way to save big bucks with no future taxation, but must be employer sponsored
<b>Max. Employee Contribution</b>	\$4,000	\$4,000	\$4,000	\$15,500
<b>Max Employer Contribution</b>	N/A	N/A	N/A	\$45,000
<b>Max Contribution All Sources</b>	\$4,000	\$4,000	\$4,000	\$45,000
<b>Over Age 49 Additional Catch-Up</b>	\$1,000	\$1,000	\$1,000	\$5,000
<b>Tax Deduction</b>	Yes	No	No	No
<b>Withdrawals</b>	Taxed	Nontaxable	Earnings Taxed	Nontaxable
<b>Earnings</b>	Tax Deferred	Nontaxable	Tax Deferred	Nontaxable
<b>Penalty Exceptions</b>	Death, disability, education, 1 <sup>st</sup> home, more	Death, disability, education, 1 <sup>st</sup> time home, more	Death, disability, education, 1 <sup>st</sup> time home, more	Death, disability, education, 1 <sup>st</sup> time home, more
<b>Form By (2007)</b>	4/15/08	4/15/08	4/15/08	12/31/07
<b>Contribute By</b>	4/15/08	4/15/08	4/15/08	Due date + Extension
<b>Penalty Issues</b>	10% before 59 ½	10% before 59 ½ on earnings only	10% before 59 ½	10% before 59 ½
<b>Tests</b>	1-Earned Income 2-Max age 70 ½ 3-Not covered by other plan 4-If covered, must be below income limits	1-Earned income 2-Max Income under 110k single, 160k MFJ	1-Earned income	Employer sponsored
<b>Distributions</b>	Start by 4/1 of year after turning 70 ½	No requirement	No requirement	Plan based
<b>Bankruptcy Protection</b>	\$1,000,000	\$1,000,000	\$1,000,000	Unlimited
<b>5500 Required?</b>	No	No	No	Yes
<b>More Information</b>	Pub 590	Pub 590	Pub 590	<a href="#">Publications 560</a>

Free Federal Tax  
Research Library

- Highlighters/Pens
- Continental  
breakfast & lunch

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### More New Cities in 2007

Last month we told you about our added self-sponsored seminars in Chicago, Louisville & St. George, Utah. We have also just added a 2-day 1040 In-Depth in Jupiter, FL on 11/12-13/2007.

Last month we also told you about our new state society sponsors for 2007: Minnesota, Georgia & Idaho CPA Societies, and North Carolina, Oregon, Illinois and Golden Gate Societies. We are now also happy to add 2 more 2007 sponsors: The Maryland Assn. of CPAs and the Indiana Society of Accountants!

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### Upcoming Seminars

See [www.taxespeaker.com](http://www.taxespeaker.com)

- 5/9 IRA Webinar
- 5/21-Acctg, Ames Iowa
- 5/23-Tech,  
Fredericksburg, VA
- 5/30 Like Kind Webinar
- 6/4- Acctg, Cleveland
- 6/5-Tech, Cleveland
- 6/6-Estates, Cleveland
- 6/7-8-Acctg. Portland, OR
- 6/20-Eng. Ltr Webinar
- 6/28-Estates, Fargo
- 6/29-Tech, Fargo
- 7/17-Tech, Indianapolis
- 7/18-Acctg., Indianapolis

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## 2007 Pension Tables

<a href="http://www.taxespeaker.com">www.taxespeaker.com</a>	Simple IRA	SEP	Solo 401-K	401-K
<b>Highlights</b>	Excellent choice for side businesses, small businesses and those with <\$50k annual income. 97% employee funded	Excellent contribution limits, no 5500 make this a winner, but 100% employer funded. Voluntary contributions.	The best plan for family businesses, those with only part-time employees as long as they want to fund more than a SIMPLE. Better than a SEP in many cases.	Excellent plan, partly employee funded, but watch the dreaded top-heavy rules which can make this a bad choice for some businesses.
<b>Max. Employee Contribution</b>	\$10,500	-0-	\$15,500	\$15,500
<b>Max Employer Contribution</b>	\$4,800	\$45,000	\$45,000	\$45,000
<b>Max Contribution All Sources</b>	\$10,500 + 3% of W-2 Before Deferral	\$45,000	\$45,000	\$45,000
<b>Over Age 49 Additional Catch-Up</b>	\$2,500	N/A	\$5,000	\$5,000
<b>Tax Deduction</b>	Yes	Yes	Yes	Yes
<b>Withdrawals</b>	Taxed	Taxed	Taxed	Taxed
<b>Earnings</b>	Deferred	Deferred	Deferred	Deferred
<b>Penalty Exceptions</b>	Most IRA exceptions	Most IRA exceptions	Most IRA exceptions	Most IRA exceptions
<b>Form By (2007)</b>	10/1/07	Due date + extension	12/31	12/31
<b>Contribute By</b>	Due date + extension	Due date + extension	Due date + extension	Due date + extension
<b>Penalty Issues</b>	25% 1 <sup>st</sup> 2 years	10% before 59 1/2	10% before 59 1/2	10% before 59 1/2
<b>Tests</b>	No other active plan	No other active plan	Employer sponsored, other plans ok	Employer sponsored, other plans ok
<b>Distributions</b>	Plan based	Plan based	Later of 70 ½ or retirement	Later of 70 ½ or retirement
<b>Bankruptcy Protection</b>	Unlimited	Unlimited	Unlimited	Unlimited
<b>5500 Required</b>	No	No	Yes	Yes
<b>More Information</b>	<a href="#">Publications 560</a>	<a href="#">Publications 560</a>	<a href="#">Publications 560</a>	<a href="#">Publications 560</a>

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## Do you love these tables?

The above tables are fresh from our new 2007 Manual [Pension Plans & IRAs](#). Feel free to use them in your office, but remember they are Copywritten (c) 2007 by Jennings Advisory Group, LLC. No reproduction is allowed without our written permission. Would you like more of these useful tables and real life practical stuff? Come to a Jennings Seminar where all of our speakers are real practitioners with practical information and all of our books are written by fat, bald practitioners, not by some pointy-headed geek who doesn't do tax returns!

The table below is from our 2007 [Compilations & Review](#) course, again written by practitioners for practitioners!

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## Accounting Tables

7/19-Estates, Indianapolis

7/30-Tech, OK City

8/1-Acctg-Garden City

8/2-Estates-Garden City

8/6-Acctg., South Bend

8/7-Acctg. FT. Wayne

8/8 Business Tax Update Webinar

8/10-Acctg-Ft. Wayne

8/14-Tech, Fargo

8/15-Tech 1 Webinar

8/21-Bus. Tax-Des Moines

8/25-Acctg, FT Collins

8/26-Estates, Ft Collins

8/27-28 Business Tax, In-Depth Garden City

8/30 SE Accounting Show, Atlanta

9/5 Acctg.-Schererville, IN

9/6-Tech 1/2, Reducing Health Care Costs 1/2-Schererville, IN

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Factor	Compilation	Review	Audit
Professional Guidance	<a href="#">SSARS</a>	<a href="#">SSARS</a>	<a href="#">SAS</a>
Level of assurance	None	Limited	Highest
Clientele	Non Public	Non Public	All
Engagement Letter Required	YES (SSARS 12)	YES (SSARS 10/12)	YES
Management Representation Letter Required	NO	YES	YES
Inquiry of Management & accounting practices?	NO	YES	YES
Analytical Review for trends, indicators and problems	NO	YES	YES
Confirmation of accounts	NO	NO	YES
Understanding of Internal Control	NO	NO	YES
Non-Independence Allowed?	YES-with disclosure	NO	NO
Limited disclosures	YES-with report modification	NO	NO
Cost	Lowest	Mid Level	Highest
Procedures Performed	NONE	Limited-inquiry, ARP	Substantial
May Use TAX or Cash Methods Rather than GAAP?	YES	YES	YES
Modify work to look for fraud?	NO But See SSARS 12	YES-thru inquiry only (SSARS 10)	YES-Consider risk & design audit accordingly (SAS 99)

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Remember 2008 will see the return of our Alaska cruise, this time with a land tour option!

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