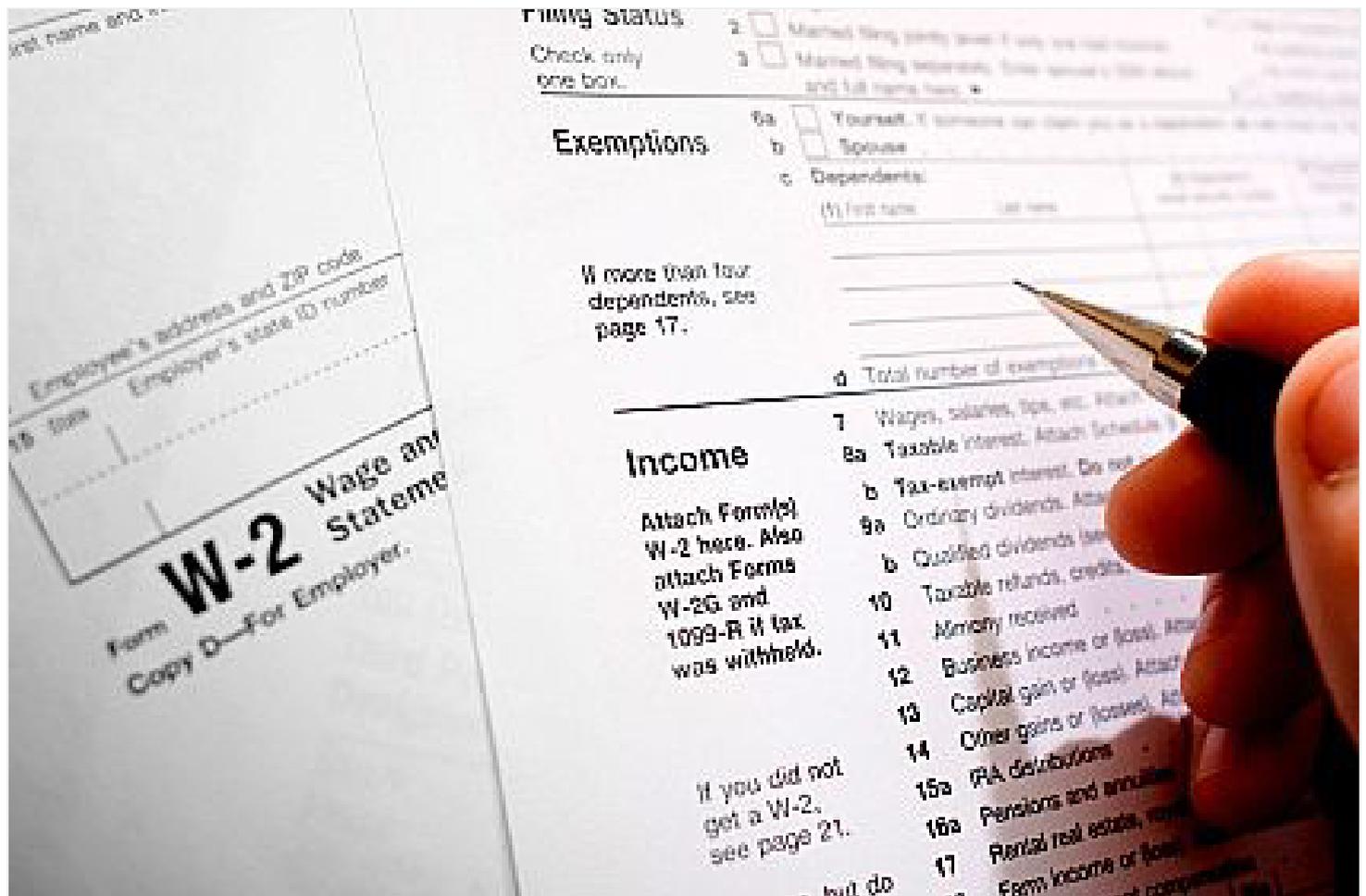


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love the software that allows us to import W-2 data, stock sales data, QuickBooks data, etc.? With all those tools, we barely even have to look at our clients' documents. But we should!

Eva Rosenberg • Feb. 09, 2014



There's so much nifty tax preparation software out there these days. Don't you just love the software that allows us to import W-2 data, stock sales data, QuickBooks data, etc.? With all those tools, we barely even have to look at our clients' documents. But we should!

TaxMama is a busybody. Otherwise known as a [yenta](#). I always want to know

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- D – though H and S and T – contributions to the employer's retirement plan
- W – Health Savings Account contributions

In box 13, I look for the checkmark on Retirement Plan.

When those boxes are empty, I get excited. Why? I might have just hit the mother lode. Or...a small vein of gold.

The small vein? Ask your client if they don't have retirement or cafeteria benefits simply because they choose not to participate. If that's the case, become a hero and help your client understand the immediate value, the tax savings and the long-term benefits of these 'tax loopholes.' Yes, use that phrase. It makes them feel rich.

The mother lode? Aha! The employer doesn't offer these benefits at all. Get your client to introduce you to the boss. Be prepared with a good, easy-to-understand visual presentation to show the boss just how much money the BOSS can save by offering these plans.

The [cafeteria plan](#) reduces wages – and all the related taxes on wages. The employer saves 7.65% on FICA/Medicare. They save money all other costs that are wage-based, like workers compensation insurance and other insurances. The employee saves their 7.65% of FICA/Medicare, as well as all federal and state taxes on their contributions.

The [retirement plan](#) contributions don't cut anyone's FICA/Medicare taxes. But they do cut the employer's wage-based costs – WC, etc. And they cut the employee's income taxes.

The administrative fees on these plans are generally lower than the tax savings.

Why a mother lode? Well, you become a hero to your clients, getting them tax breaks

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*Eva Rosenberg, EA, is the publisher of TaxMama.com®, where your tax questions are answered. Eva is the author of several [books and ebooks](#), including *Small Business Taxes Made Easy*. Eva teaches a tax pro course at IRSExams.com and tax courses to help you deal with tax debt <http://www.cpelink.com/teamtaxmama>.*

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