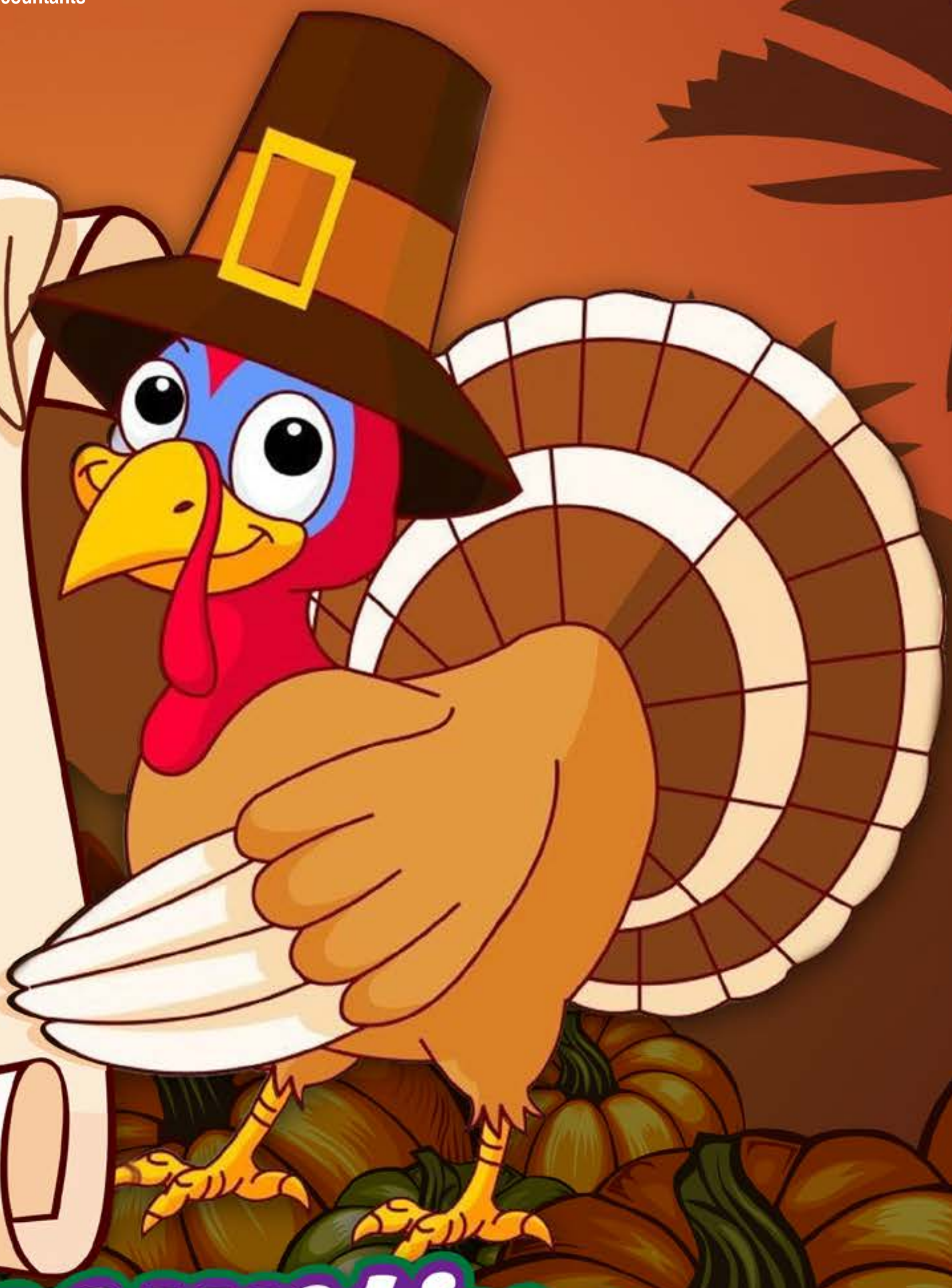
NOVEMBER 2024

KĀLĀ

The Official Publication of the Hawaii Society of Certified Public Accountants



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Hawaii Society of Certified Public Accountants

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In This Issue

President's Message

By Dr. Frank T. Kudo

"Grateful and Appreciative"

It was a company's Christmas Party, and I was a guest speaker. The year was 2022, and it was almost three years since COVID appeared in February 2020. As I looked at the audience from the stage, I saw people who were still wearing masks and others who weren't. In my mind, I felt that the worst was behind us and that we were entering a post-COVID period of recovery. We all spent years sequestered in our 'shelter in place' homes and apartments. Shut off from the world, our friends and family members, except for the 7pm clanking of pots and pans from neighbors honoring our health care workers who were our heroes taking care of the COVID patients. I just spent two years celebrating Thanksgiving, Christmas and New Year's without my family and friends. Basically, by myself in my apartment. I felt isolated, frustrated, and alone. Now, I am looking into the audience and seeing the people who braved to come out and enjoy a company Christmas Party with their fellow co-workers. My speech was supposed to be on sales, the state of the economy and strategies for our business in the future. But suddenly, I decided at the last minute to change my speech to reflect how I felt at that moment.

I was truly happy to see people come out to enjoy themselves, that it was some semblance of what was normal only a few years ago. Who would have thought that a virus would cause so many deaths and shut down the World and our nation. That we would be living in fear of even going to the grocery store or getting too close to people or would my favorite restaurant be open after this, or would our hospitals run out of respirators? All these things were running through my mind.

So, I started my speech, and I began … "I am very grateful and appreciative." There was a pause as the audience began to process that simple statement. I saw it in their eyes. Simple words which started to resonate. It became evident that everyone in that room was now thinking about what they had just gone through. It was an unbelievable period of time that we all shared. I continued by saying, "how often we take things for granted and never really feel grateful or appreciative of the things we have, even the minor things." We go through life and never really reflecting on how fortunate we are, and simply take for granted the life we live. The holidays are coming and as you sit next to your family, friends, co-workers and new acquaintances, be 'grateful and appreciative' of the life you have.

TAX FOUNDATION OF HAWAII

Hawaii's Watchdog on Taxes & Government

By Tom Yamachika

If you're not already a supporter of the Tax Foundation of Hawaii (TFH), it's never too late. TFH is the 'watchdog' for Hawaii taxpayers and keeps us informed of what the government is doing with taxpayers' money. To support TFH's mission, please donate here.

Self-Insurance Is No Insurance

One of our newer lawmakers recently penned a piece, "Consumer-Centered Property Insurance Can Help Condo Owners" (Civil Beat, Oct. 18), floating the idea that condominium associations should consider self-insurance as one way to deal with the difficulties, costs, and practicalities of getting insurance for condominium common areas.

The author notes that self-insurance entails putting away a large amount of money in reserve for disasters, which is what insurance companies insuring such disasters do. Can't you just cut out the middleman then?

The short answer is that self-insurance is no insurance. People have to rely on the self-insuring company's size, availability of large monetary reserves, and ability to raise more money should the need arise. That's why governments sometimes insure themselves. The federal government, for example, self-insures against traffic accident liability. It's big enough to pull it off, and it has the power to tell states that mandatory insurance coverage laws don't apply to it.

In contrast, the typical condominium association is several orders of magnitude smaller than a typical government. Lenders, both lending to the association and to its constituent members, often impose strict insurance requirements as conditions for providing new or keeping existing financing. In addition, condominium associations are always facing pressure to deal with occasional but costly results of aging such as concrete spalling, road deterioration, and water incursion damage. They simply might not have the ability to keep a large wad of cash around while association members clamor for reducing maintenance fees. In short, the typical condominium association would have a tough time maintaining self-insurance.

One variation on the idea that might be more easily accepted and accomplished is called captive insurance. In a typical captive insurance scenario, one large company or a collection of several companies with common interests pays into a fund. The fund then gets turned into a mini-insurance company so the fund can't be touched unless a disaster, or other risks that the captive company agrees to insure, occur. One advantage to doing it this way is that a captive insurer is a legitimate insurance company and, as such, is allowed to buy reinsurance on the secondary market (a privilege denied to mere mortals and ordinary companies). With reinsurance, the insurer can elect to cover losses up to a certain size, for example, with the reinsurer stepping in when losses go from bad to ridiculous.

Another advantage to this route is that Hawaii has plenty of experience with captives since it became a captive domicile in 1986. Indeed, at about this time last year Hawaii received the 2023 Domicile of the Year Award at the U.S. Captive Review Awards held in Vermont. The award was given in the so-called heavyweight category, domiciles that were able to boast gross written premiums of more than $5 billion. At the time, Hawaii had 263 captive companies from across the U.S. as well as Asia and the Pacific. As of December 31, 2022, Hawai`i was ranked as the fifth-largest U.S. captive domicile, and the eighth-largest globally, by number of captive companies licensed. In addition, in 2022, the Hawai`i captives had written premiums of $15.6 billion, an increase of $3.3 billion from the previous year and the largest increase in captive written premiums of all captive domiciles globally in 2022.

We offer this as an alternative to self-insurance for folks trying to find options in our current insurance crisis.

Tom Yamachika is President of the Tax Foundation of Hawaii - the 'watchdog' that keeps an eye on Hawaii's taxes. Tom is also the owner of Aloha State Tax, a small law firm with emphasis on State taxes. Prior to going solo and the TFH, Tom was a principal with Accuity LLP where he managed the tax consulting practice, including quality and risk management and practice development.

Accounting

OPPORTUNITIES EXPERIENCE CONTINUES!

We announced October and November as the months for Accounting Opportunities Experience events for visits to Hawaii high schools to raise awareness in accounting opportunities and encourage them to consider accounting as they think about attending college.

Many HSCPA volunteers have enjoyed sharing their passion for the profession and engaged with students in October on how their careers have been truly rewarding.

More volunteers have signed up for high school visits in November. Join them and tell your story! Share your career journeys and rewards of the profession. It only takes a couple of hours of your time to inspire students and spark interest in accounting … a rewarding experience for you, too!

Volunteer materials are prepared for you – all you'll need to do is show up in the classroom! Complete this volunteer form and pay it forward – you'll be glad you did!

Proclamation

WHEREAS, the Hawai'i Society of Certified Public Accountants (HSCPA), organized in 1932, is the State's premier association of accounting and finance professionals; and

WHEREAS, Hawai'i's certified public accountants are trusted advisors to hundreds of thousands of taxpayers and businesses and help foster economic growth in Hawai'i; and

WHEREAS, the accounting profession offers a multitude of accounting career opportunities in Hawai'i; and

WHEREAS, Hawai'i's accounting and finance professionals provide career sessions to students about business and the role of accountants; and

NOW, THEREFORE, I, Josh Green, M.D., Governor of the **State of Hawai'i**, hereby proclaim the months of October and November 2024 as

"CERTIFIED PUBLIC ACCOUNTANT MONTHS"

in Hawai'i and to recognize Hawai'i CPAs and encourage high school students to consider the accounting field.

Done at the State Capitol in the Executive Chambers, Honolulu, State of Hawai'i, on the **1st day of October 2024.**

Josh Green, M.D.
Governor, State of Hawai'i

"I really enjoyed speaking with the DECA officers at their leadership meeting, which included students from across Oahu and Kauai. As a DECA alum, it definitely made a difference to the students to hear about how DECA impacted the rest of my journey. Initially, I had a 20-minute timeframe but the students were asking a lot of questions and were really engaged so they graciously ended up allowing me to speak for an hour. This was a great opportunity and I highly encourage everyone to go out there and tell their stories!"

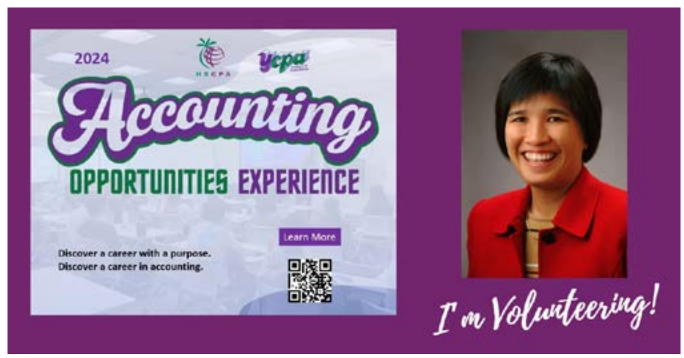
—Trisha Nomura, HSCPA AOE Volunteer

"It was truly a pleasure talking to students at Mr. Wakabayashi's Principles of Finance & Econ class at Pearl City High School last month for HSCPA's AOE events. I reviewed my education and career background. Then, I offered some tips for financial literacy, stressing to the students how essential it is to not just surviving, but thriving in Hawaii. What really encouraged me was the group of seniors who stuck around after class, spending their entire late morning recess asking about how they can prepare for their own careers. Really thoughtful questions, like how to choose what to study, what it's like meeting with clients regularly, and even whether getting a tattoo would affect their job prospects. I must say, because of this experience, I do have hope for our youth in Hawaii. And that spells good things for the future of our Islands."

—Jesse Wilson, HSCPA AOE Volunteer

"Much mahalo again for your Hawaii Society of CPAs presentation on the very wet Saturday. We appreciate your peaking the interest and inspiring our Oahu and Kauai DECA chapter officers at their leadership workshop. Your presentation was also such a great model for my state officers on how to market DECA and what it can offer. Thanks to business partners such as yourself who are willing to share time with these future entrepreneurs and leaders, Hawaii DECA has grown incrementally over the years after COVID."

—Christina Shioi, Hawaii State DECA Coordinator



"It was a fun activity! The experience is building my confidence in the next generation."

—RoAnne Matsuura, HSCPA AOE Volunteer

"Thank you for your visit. Here are some key takeaways from students at Roosevelt HS: It's important to keep learning and to take risks especially when you're young. Accounting can lead to many different pathways, proving to be a versatile degree. There are many pathways you can take in life, but you need to take the opportunity (not be afraid)."

—Stacie Maeda – Roosevelt High School, Career & Technical Education

Decoding SECURE Act 2.0: ‘Key insights for businesses

By Zachary Keep

In the dynamic world of retirement, the SECURE Act 1.0 and 2.0 has emerged as a significant catalyst for change, particularly for small- and medium-sized enterprises. This legislation—an acronym for Setting Every Community Up for Retirement Enhancement—has significantly enhanced the menu of options for employers contemplating a retirement plan, making a considerable impact on retirement strategies. The groundbreaking first iteration, SECURE Act 1.0, launched in 2019 and encouraged the establishment of retirement plans through expansive tax credits and administrative modifications. It also introduced the Pooled Employer Plan (PEP) which enabled unrelated employers to combine their resources for the advantage of a larger, more efficient plan.

Now, the landscape is again changing thanks to the introduction of SECURE Act 2.0, which ushered in many new provisions and opportunities for employers and employees. It holds the promise to reshape the retirement industry, making it increasingly accessible and beneficial to all parties involved.

Understanding key changes in Secure Act 2.0 for businesses

The success of SECURE Act 1.0 paved the way for the introduction of SECURE Act 2.0 in late 2022. This new act expands upon its predecessor by doubling tax credits for certain employers that are establishing a plan and introducing an employer contribution tax credit. This encourages businesses to not only establish retirement plans, but also support employees who participate in them. These provisions are crafted to primarily benefit small- and medium-sized employers, and in many cases incentivizes the establishment of a plan.

Student loan repayments

One of the most significant provisions of SECURE 2.0 is the introduction of student loan repayments. This allows employers to match an employee’s student loan repayments as a 401(k) contribution. This optional provision provides a competitive advantage in a tight labor market, encouraging employees to join and remain with a company. There are still uncertainties surrounding the implementation of this provision, and many plan sponsors are planning on implementing student loan repayments as the industry seeks further clarity from regulatory agencies.

“Rothification”

Another major change introduced by SECURE 2.0 is “rothification”. This alters the tax treatment of the catch-up contributions of the highest earners, making them subject to taxation before investment in their retirement plan. This has raised many questions, particularly about how employers should accommodate Roth tax treatment.

Expansion of automatic enrollment
The Act also mandates the expansion of automatic enrollment from 2025. For employees of businesses subject to this provision, enrollment will start at 3% with an automatic escalation of contributions up to 10%, not exceeding 15%. This change is designed to encourage early enrollment and consistent contribution escalation over time. The introduction of automatic enrollment is expected to significantly change the retirement landscape.

Administrative changes and “emergency provisions”

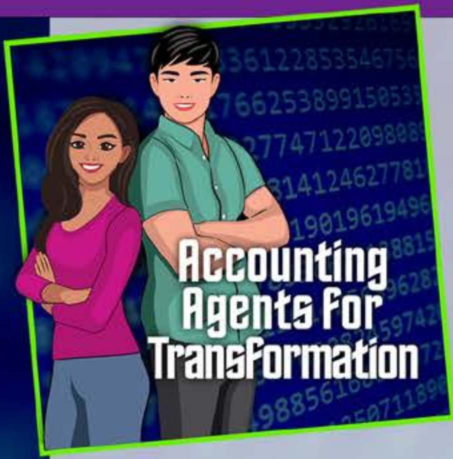
SECURE 2.0 also brings administrative changes and the introduction of several “emergency provisions” for employees, including changes to the treatment of hardship distributions, the creation of a one-time personal expense distribution, and the establishment of a pension-linked emergency savings account (PLSA). These changes make accessing funds in a 401(k) easier than ever before, alleviating employees’ fears of contributing to it and providing a safety net in case of events.

Pooled Employer Plans (PEP)

Additionally, SECURE 1.0 introduced the Pooled Employer Plan (PEP), which provides a simple, cost-effective way for a business to join other businesses in a pooled plan. This allows businesses to delegate the operation of a plan to a Pooled Plan Provider (PPP) and this provider assumes much of the fiduciary risk traditionally shouldered by the employer sponsor of a standalone plan.

Continued on page 13

HSCPA 64th Annual Conference November 8th • 8:30 a.m. to 3:30 p.m.



Pipeline Initiatives, AI and Holy Smokes ... Corruption!

A great opportunity to connect with lively conversations and meaningful connections! Hear the latest developments in the profession and some of Hawaii's most notorious headlines.

Great speakers to keep you intrigued, food to satisfy your appetite, and meet & mingle with fellow members, establish new connections, and enjoy Happy Hour after a great program!

Meet Our Speakers

Carla McCall, CPA, CGMA, is Managing Partner of AAFCPAs, a preeminent, 300+ person CPA and consulting firm based in New England. She is Chair of the Board of Directors of American Institute of Certified Public Accountants (AICPA). Carla was named one of the Most Powerful Women in the Accounting Profession in 2020-2021, 2022, and 2023 by the AICPA and CPA Practice Advisor Magazine.

Donny Shimamoto, CPA.CITP, CGMA, is the founder and managing director of IntrapriseTechKnowlogies LLC, a specialized CPA firm dedicated to helping small businesses and middle market organizations leverage strategic technologies, proactively manage their business and technical risks, and enable balanced organizational growth, and development.

Alexander "Ali" Silvert was raised in New York City and Vermont. After graduating from UCLA and driving a cab in New York, and a year of post-graduate political science courses at New York University, he switched to Boston College Law School where he obtained his JD in 1984. Ali worked as a state and federal public defender in Philadelphia before moving to Honolulu in 1989 with his wife and three-week old son to work at the Hawaii Federal Public Defenders Office. In NOVEMBER of 2020, Ali retired as Federal Public Defender after 33 years. He has written a book about the Puana/Kealoha case entitled "The Mailbox Conspiracy: The Inside Story of the Greatest Corruption Case in Hawaii History." Ali is currently a lecturer at the University of Hawaii Richardson School of Law and runs his own private federal criminal law consulting firm in Hawaii.

Our Topics

Accelerate & Lead

A prominent speaker and successful leader, get to know AICPA Chair Carla McCall as she talks about her passion of the profession. Her energy is infectious and she will share how the profession is accelerating and leading to grow services, connections, and confidence while also keeping the profession attractive, prosperous and exciting for the next generation of CPAs and CGMAs.

Enhancing Accounting Services with Artificial Intelligence

One of the Top 25 Thought Leaders in the profession, Donny Shimamoto, returns to his roots to discuss how accounting services can be enhanced using artificial intelligence (AI). You've heard the hype around AI and how it will revolutionize the way we work. There are AI tools that are ready for accountants to adopt now. Discover ways AI can be used in audit, tax, and finance. We'll also discuss the cybersecurity and privacy implications of AI and what you should be doing to mitigate those risks.

Review of Notorious Hawaii Corruption Cases

Political corruption in Hawaii has become far too common and undermines the public's trust in our system. Alexander "Ali" Silvert returns for another riveting discussion on criminal versus non-criminal corruption, ethical obligations of AG lawyers, and the pervasive problem of giving false testimony. Will there be any political fallout from the New York Times/Civil Beat expose? He'll keep you wanting to hear more! Also, pick up a copy of Ali's new revised edition of "The Mailbox Conspiracy" with a brand-new up-to-date epilogue, more photos and documents, and some new information.

Meet The Pros

Students Converge at D&B's for Meet the Pros

HSCPA Professionals were delighted to welcome students from Kaua'i CC, UH Manoa and UH West Oahu at the 2024 Meet the Pros on October 7th. We had overwhelming attendance and unfortunately could not accommodate a number students and professionals due to the room capacity.

Energy was high as the evening opened with a 'heart-to-heart' talk from Chuck Rettig, former IRS Commissioner. He shared personal stories of perseverance, integrity, teamwork, honor and values. Many stayed after the event to speak to Chuck as he graciously addressed each person and capped it with a photo opportunity. There were lucky recipients who were honored to have received the special IRS Commissioner medallion.

The professionals made their rounds throughout the room to visit with students and shared their stories of the advantages of an accounting degree/CPA licensure to how they achieved their goals and created financial stability.

Thank you to Deloitte & Touche LLP for their ongoing support and sponsorship of this event. A big mahalo to our special guest Chuck Rettig, MC Dharyl Bongbonga, the Y-CPA Squad, and the HSCPA Professionals who helped to inspire the students to continue their paths in accounting!

To our generous prize donors – you added that special touch to the event for many lucky winners! Thank you to Accuity LLP, CW Associates, HEMIC, KKDLY LLC, KMH LLP, KPMG LLP, N&K CPAs, TRUSTA AAC and Verity CPAs for the great prizes.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Continued on from 8

In summary, the SECURE Act 1.0 and 2.0 have reshaped the retirement domain, and will continue to do so, unveiling fresh prospects and hurdles for businesses. As we journey through this reimagined landscape, the importance of staying updated and adaptable cannot be overstated. The SECURE Act has rendered retirement planning more achievable and advantageous for a multitude of businesses. However, understanding the intricacies and potential risks is equally crucial. To ensure that your business navigates these changes effectively, professional advice tailored to your distinct circumstances and requirements is highly recommended. SECURE 2.0, while adding layers of complexity, has also opened up a treasure trove of benefits for employers and employees alike. As the industry finds its footing amidst these changes, retirement planning is becoming increasingly accessible and advantageous for all stakeholders.

Stay informed about evolving regulations and opportunities within the retirement plan landscape with these resources:

- IRS Guidance Changes SECURE Act 2.0
- State Mandated Retirement Programs
- The Road to Retirement Special Report

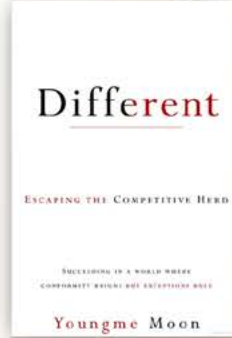
To learn more about retirement solutions for your firm, visit aicpa.org/retirement.

Contributed article from CPS.com - Guest contributor Zachary Keep has been involved in both the retirement industry for nearly 15 years and has extensive experience navigating compliance issues for both 403(b) and 401(k) plans.

Norman's Book Review

"Different"

by Youngme Moon



In this highly competitive world, it is extremely difficult to differentiate ourselves from competitors. We struggle to stand out. This book explains why and talks about companies who have managed to separate themselves from the pack.

Youngme Moon is the Donald K. David Professor of Business Administration at the Harvard Business School and is one of the most popular instructors there. Aside from her best-selling book Different, she has published and sold more than two million case studies on companies ranging from Starbucks to IKEA and Uber.

This book was AMAZING! I felt like I was taking her class at Harvard, having an informal chat with her at a family gathering, learning sooo much about marketing and companies I patronize and rethinking how my credit union spends it's marketing dollars, all in one book. As the book insert notes, "it is a book for people who don't read business books," and who want to learn "how to succeed in a world where conformity reigns but exceptions rule." Here are some snippets from the book to pique your interest and give you a flavor of the book.

Heterogeneous Homogeneity

This is when a business category reaches a point where there may be differences between companies, but they are lost in a sea of sameness. The category becomes "blurry." It becomes difficult to see the "trees from the forest."

Reverse Brands

These are brands that go against the augmentation trend in a category. They streamline the value proposition instead of further inflating it. These brands say no where others say yes … they do it openly and without apology. The author talks about Google, JetBlue, IKEA, Nintendo Wii and In-N-Out Burger and why they are successful reverse brands.

Breakaway Brands

Breakaway brands are boundary defying brands that utterly disregard traditional category definitions. They transform their industries, expand product definitions and stretch category boundaries. By doing so, they force competitors to play catch-up for years to come. Examples given are Sony's AIBO Pet Dog, Kimberly-Clark's "Pull-Up" underpants, Cirque du Soleil, The Simpsons TV show, and Swatch watches.

Hostile Brands and Other Idea Brands

Hostile brands are companies that are super passionate about their products, don't compromise for anyone and can be viewed as arrogant. Yet these "take it or leave it" brands are highly successful. Youngme considers the MINI Cooper, Red Bull, Marmite, Birkenstocks, BAPE, Hollister and Benetton as examples of hostile brands.

Youngme also talks about other brands that capture multiple elements of a reverse, breakaway or hostile brand. These brands include Apple, Harley-Davidson and Dove Real Beauty.

IN-N-OUT BURGER ®

In-N-Out Burger

A big plus of the book is its addendum, which goes into more detail about the companies mentioned in the book. I zeroed in on In-N-Out Burger, because it is one of my favorite places to visit when traveling. Author Eric Schlosser notes, "It isn't health food, but it's food with integrity. It's the real deal." Why? In-N-Out uses hand-leafed lettuce, potatoes are peeled and cut on-site, shakes are blended with real ice cream, buns are baked with slow-rising sponge dough, and In-N-Out has its own patty-making facility in California where every chuck is individually examined. Lastly, In-N-Out devotees know they can request items off an unadvertised "secret menu" that can only be learned through word of mouth, such as "animal style burgers or fries".

The Truth Can Be Elusive

Accountants like facts, order and truisms. However, when it comes to marketing and standing tall amongst your competitors, there are no hard and fast rules or fundamental truths. Why? Consumers are human beings and by definition human behavior is complicated. We just have to look in the mirror to know people are fickle and change their minds.

Don't Be 100% Correct, Search for the 2%

Youngme's graduate school adviser shared with her his secret to unlocking his mind and being an intellectual free spirit … "What liberated me, Youngme, is that I don't worry about being 100% right all the time. What I try to do instead is look for the most interesting 2% I can find, and then provide a perspective on it that people aren't going to get anywhere else. The trick, Youngme, is to always gravitate toward the cool stuff that no one else is paying attention to."

Eliminate Skepticism

In her classes Youngme has seen when you eliminate skepticism as an option, you give improbabilities a chance to transform into possibilities, and you give unconventional ideas a chance to bloom. Magic is also possible.

Don't Rely 100% on Market Research

Companies spend many dollars doing market research and customer surveys, yet most business categories are crowded and blurry. Youngme has found that on the contrary, the one thing most idea brands described in her book have in common is that their differentiation strategies were not driven by market research.

Innovate vs Renovate

I thought this was an interesting analogy to the difference between how idea brands work (innovate) and the competitive herd companies work (renovate).

Lopsided vs Balanced

Accountants and most people think it is good to be balanced and in control. Youngme has shown idea brands are lopsided and devoted to the skew. They lack internal consistency. Yet it is precisely this characteristic that gives them such resonance.

Consistency Not Needed

The book shows, to be successful, you don't need to be consistent. A brand can be hostile and magnetic at the same time, just like people can be satisfied and restless at the same time, a relationship can be frustrating and fulfilling, and something can be symbiotic and liberating at the same time. We know this because we live it every day. Youngme added she loves her husband all the while he makes her crazy.

Future Characteristic of Successful Brands

Looking into the future, Youngme believes successful brands will:

- Offer something that is hard to come by.
- Reflect a commitment to a big idea.
- Be intensely human.

Differentiation

It is a commitment to engage with people in a manner that reveals to them that, *"yes, we get it."* It is a way of thinking. It is a mindset, a mindset that comes from listening, observing, absorbing and respecting. IT IS NOT A TACTIC.

Summary

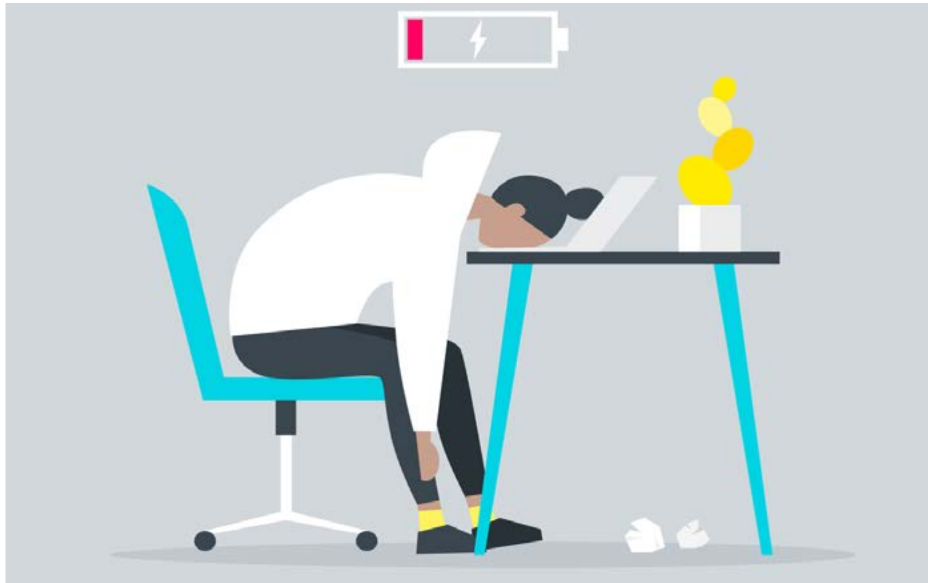
I sincerely hope this book helps you improve your marketing, separate yourself from the competitive herd, and ultimately make the world a better place. It was an eye opener for me, thought provoking, and it will help me better position the credit union for the future.

The Key to Reducing Burnout? Spreading Out the Workload

By Deanna Perkins

Burnout is a critical issue in many accounting firms. In fact, Accounting Today refers to it as an epidemic, citing a study performed by FloQast and the University of Georgia that found [99% of accountants suffer from some level of burnout.]

Yet, in our experience, burnout varies depending on the department and role within a firm. For example, we don't see a lot of burnout in the Client Advisory and Accounting Services (CAAS) department, where the nature of the work differs markedly from other areas of a firm.



What makes CAAS different?

So, what makes the CAAS department different? And what can other departments and positions learn from their CAAS coworkers to create a healthier work-life balance for themselves?

Distributing the workload throughout the year

One of the primary reasons CAAS professionals experience less burnout is their ability to spread work evenly throughout the year.

Unlike roles in tax or audit, where workloads spike dramatically during busy seasons, CAAS professionals provide ongoing, consistent client support. This steady stream of work allows for a more balanced approach to deadlines and client deliverables, reducing the pressure associated with compressed timelines.

Flexibility in managing workloads

CAAS professionals typically have more control over their workload, allowing them to manage their tasks in a way that minimizes burnout. This flexibility can manifest in several ways. For example, they can:

- **Set boundaries around work hours**. Audit and tax professionals might work 60 to 70 hours per week or more during busy season. CAAS employees might occasionally put in longer hours, but they can usually cap the hours they work each week.
- **Flex hours**. CAAS professionals may adjust their work schedules to accommodate family commitments, see friends, enjoy hobbies, or take care of their health. For instance, some CAAS professionals can structure their workweeks to take Fridays off or start their days early so they're available to pick up their kids from school during the week.
- **Work remotely**. Tax professionals might be expected to be in the office to meet with clients, and auditors might handle field work in person at a client's location. CAAS employees often have the option to work remotely.

This adaptability provides a unique opportunity to align work commitments with personal well-being, making maintaining a healthier quality of life easier.

Value billing vs. hourly billing

Another distinguishing feature of the CAAS department is the focus on value billing rather than hourly billing.

Many other areas of a firm focus on billable hours. High billable hour expectations contribute significantly to stress and burnout. By contrast, the performance of CAAS professionals is more often measured by the number of client engagements they complete and the value they bring to clients rather than the hours they log. This shift in focus allows CAAS professionals to concentrate on delivering meaningful outcomes, fostering a more satisfying work environment prioritizing quality over quantity.

How CAAS delivers quality of life and well-being

The combination of manageable workloads, flexible scheduling and value-based billing directly contributes to improved quality of life and reduced burnout for CAAS professionals. They can spread heavy workloads over time, reducing the sense of overwhelm and allowing for more deliberate, thoughtful work.

Additionally, CAAS professionals often have the time and energy to prioritize self-care, pursue personal interests and spend more time with family and friends. These are all critical components of combating burnout and promoting overall wellness.

What other departments can learn from their CAAS counterparts

The CAAS department's structure supports a better work/life balance. So, what can other departments learn from their CAAS coworkers?

Here are some takeaways that can help firms take proactive steps against burnout:

- **Place less emphasis on peak busy seasons.** Your ideal clients should work with you proactively throughout the year—not just at tax time or during the annual audit. With more consistent work patterns, professionals can engage in wellness practices like regular exercise, mental health breaks and planned vacations without the looming pressure of an intense workload.
- **Leverage automation and outsourcing to manage workloads.** Technology can help tax and audit professionals do more with less. Just make sure you don't fill this extra capacity with more of the same work.
- **Offer flexibility.** Give employees the option to work remotely and flex their schedules. This allows people to reduce stress and improve their quality of life.
- **Switch to value billing**. Measure employee performance based on results rather than hours spent.

These steps can enhance individual well-being and contribute to more sustainable and enjoyable career paths within the firm.

As you continue exploring ways to support employee well-being, look to the CAAS model for insight into how structural adjustments can combat burnout across your firm.

As the Solutions Manager for Boomer Consulting, Inc., Deanna works to help clients and prospective clients identify their dangers, opportunities and strengths. Once these are identified, she works to develop a personalized game plan for their firm to focus on the area, or areas, they need to improve on most. These areas are critical to a firm's success and future-readiness; Leadership, Talent, Technology, Process and Growth.

INTUIT Announces Changes to QuickBooks Online Payroll and 1099s

By Tommy Stephens

In a series of emails, Intuit announced several changes to **QuickBooks Online Payroll**. To many, these changes may not seem like major ones. However, failing to act can have lasting negative lasting impacts. Therefore, if you are a QBO customer or have clients who use the service, act before the end of the year.

Tax Withdrawal Timing to Change

Effective January 1, Intuit will begin withdrawing payroll taxes from your bank account when payroll is processed. This practice started on October 1 for subscribers with employees in eleven states. These states include Arizona, California, Florida, Georgia, Illinois, Kansas, North Carolina, Nevada, Tennessee, Texas, and Virginia. This change becomes effective on January 1, 2025 for all other subscribers who do not opt out.

If you agree with this change in payroll tax withdrawals, you must indicate your consent to Intuit before December 30, 2024. You can do so by navigating to **Payroll Settings** in QuickBooks Online and clicking **Keep Using Automated Taxes**.

Opting Out of the New Withdrawal Process

You can opt out of the new payroll tax withdrawal process if you desire. However, to do so, you must turn off the Automated Taxes and Forms option in Payroll to do so. If you opt-out, Intuit will no longer remit payroll taxes on your behalf. Instead, you must remit payroll taxes to the various taxing jurisdictions.

For more information on this change, click here.

What's Happening with W-2 Processing

Intuit will no longer print and mail W2 forms at no charge to employees as part of the subscription offering. If you want Intuit to print and mail W2 forms, you can select this service for a cost of $4 per W2. This change is effective for W2s issued for 2024.

Actions Required by You

No action is required if you want Intuit to print and mail W2 forms on your behalf. Intuit will continue to print and mail W2s as the company has in the past. They will also send electronic copies to employees. The only difference is that you will be billed $4 per form.

However, if you want to send only electronic copies of W2 forms to employees and avoid the related charges, additional action is necessary. First, you must log in to your account by January 3, 2025. Then, navigate to **Payroll Settings** and adjust the necessary settings. For more information on this change, click here.

What's Happening with 1099 Processing

Similar to the changes associated with printing W2s, Intuit announced changes associated with 1099s. Specifically, the company announced a $4 per 1099 charge to have Intuit print and mail Forms 1099

In Memory Of

Robert H.Y. Leong

1930 - 2024

Our sincere regret at the loss of a colleague, friend, member since 1962, and HSCPA Legacy Hall of Fame recipient. We wish to express our deepest sympathy to his family and friends.

to contractors. However, unlike W2s, this change will not necessarily apply to all Forms 1099. Specifically, if your vendors and contractors consent to electronic delivery of 1099s, Intuit will send the forms electronically to those vendors and contractors. On the other hand, if they have not consented to electronic forms, you can choose to download, print, and deliver the documents or have QuickBooks print and mail the necessary forms for $4 per form.

Actions Required By You

No action is required if you want Intuit to provide electronic copies of 1099s to your contractors and vendors that have consented to electronic delivery. On the other hand, to avoid any charges for producing and mailing 1099s, you should obtain consent from your vendors and contractors to receive the forms electronically.

Summary

The new world of software-as-a-service requires us to stay on top of changes in our subscriptions, lest we potentially face undesired actions and unwarranted costs. If you or your clients use QuickBooks Online, you should address two recently announced changes by Intuit. To avoid unnecessary charges, take the above actions regarding processing Forms W2 and 1099. Doing so will help you get the desired results without incurring excessive costs.

In 1995, Tommy began authoring and presenting continuing professional education courses to accounting and finance professionals. In 2003, he affiliated with K2 Enterprises, and in 2007, he joined the firm as a partner. To date, he has lectured internationally on subjects such as internal controls for small businesses, technology strategies, computer hardware and software applications, tax strategies and compliance, and financial accounting standards and applications. Over the past twenty-eight years, Tommy has presented over 3,100 educational sessions to over 78,000 participants throughout the United States and Canada.

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