

Newsletter

We hope you have enjoyed the summer months. We appreciate your business and look forward to assisting you with your future tax planning needs.

August Deadline

If you are one of the clients that filed for an extension, we would appreciate having all your 2015 documents to us by August 29th.

New Overtime Rules Go Into Effect 12/1/16

On May 18, 2016, the United States Department of Labor published details regarding changes to the Fair Labor Standards Act (FLSA) overtime rule. This new rule goes into effect on December 1, 2016. To summarize, this rule increases the salary at which an employee can receive overtime pay. Prior to December 1, 2016, a salaried employee who receives an annual salary of \$23,660 or less has to be paid for overtime. The new rule states that a salaried employee who receives an annual salary of \$47,476 or less has to be paid for overtime.

For Highly Compensated Employees, the salary rule changed from \$100,000 to \$134,004. A Highly Compensated Employee is someone who owns 5% or more of the business, or is paid in the top 20% of the employees.

For more information, please refer to:

<https://www.dol.gov/whd/overtime/final2016/overtime-factsheet.pdf>

Should You Hire Your Kids?

Hiring your children can potentially lower your payroll tax bill. If you are sole proprietors or husband-wife partnerships, no FICA tax is due if you hire your children who are under 18 years of age. The same is true if the child works for a parent's one-person LLC that is considered a disregarded entity for tax purposes. Also, federal unemployment tax is not owed on their salaries until they reach 21 years of age.

Summer Office Hours

Please note that the office will be closed on Monday, September 5th, for Labor Day.

Also, please note our regular office hours for the summer are Monday - Thursday from 9 am - 2 pm. Please feel free to contact the office if you need our assistance outside of these hours, and we will make alternate arrangements for you.

As always, if you have any questions, or need additional information, please contact our office.

Sincerely,

Kevin J. Zulch and Jennifer R. Neese
Zulch Tax Consultants & Accountants