

Leif Jensen and Associates

Newsletter

July, 2013

In This Issue

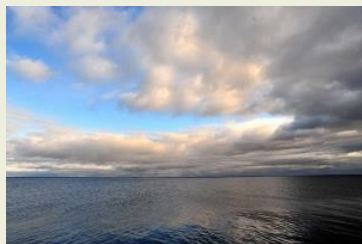
[Featured Service](#)

[Millennials](#)

[Summer Jobs](#)

[New Employee/First Employee](#)

[Featured Client](#)



It happened in July:

District of Columbia established,
1790.

Scientists set off the
first atomic bomb,
Alamogordo, NM, 1945.

Quick Links

[Visit Our Website](#)

[Services](#)



Dear Reader,

As CPA's we are committed to providing a full range of high quality professional services including: accounting, bookkeeping, consulting, payroll, management advisory services, income tax preparation, auditing and other attestation services. Our goal is to meet our client's expectations as their most trusted advisor.

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Millennials

Millennials, an abbreviation for millennial generation, is a term used by demographers to describe a segment of the population born between 1980 and 2000 (approximately). Sometimes referred to in the media as "Generation Y," millennials are the children of the post-WWII baby boomer generation.

A few things about millennials:

- * According to the U.S. census bureau, around forty percent of the millennial generation is African American, Latino, Asian or of a racially-mixed background.
- * There are about 76 million millennials in the United States (based on research using the years 1978-2000).
- * Millennials are the last generation born in the 20th century.
- * Twenty percent have at least one immigrant parent.
- * A number of studies, including one by the Center for American Progress, anticipate that millennials will be the first American generation to do less well economically than their parents.
- * Millennials are also sometimes called the Net generation because (at least according to some people) they don't remember a time when there was no Internet.
- * As a result of growing up with the Internet and associated devices, millennials are often said to be the most technologically savvy generation to date.

It is interesting to hear the report from clients on how this demographic acts as employees. As you would expect there are good and bad stories. The reports are currently leaning toward the not so positive side. But I would expect this to shift as they mature and the workplace adjusts to their work style.

Dates to Remember

- Second Quarter 941's Due
- Second Quarter IDERS Reporting Due

This Month's Featured Service

Registered Agent

We can become your registered agent of your business entity. We then become the legal address of all official documents and keep track of filing, notification and publishing requirements of business entities; including filing of annual reports for state agencies.

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Summer Jobs

Some reminders about taxes for those who have kids who are students and have summer jobs:

It is possible for them to escape federal income tax withholding from their paychecks if they did not owe any tax last year and do not expect to owe any this year.

So students who can be claimed as dependents can avoid income tax withholding if their unearned income is \$350 or less and their total income will not exceed \$6,100.

But if their investment income is more than \$350, total income cannot top \$1,000. W-4s claiming complete exemption from withholding in 2012 have expired. Employees must refile them for 2013, or employers face penalties for not withholding.

Hiring your children can lower your tax bill as well. No FICA tax is due if sole proprietors or husband-wife partnerships hire their kids who are under 18. (Remember I recommend sole props only for those who are just starting out and unsure of moving forward).

The same goes if they work for a parent's one-person LLC that elects to be disregarded for tax purposes. Payments to kids also cut the parents' income and SECA tax bills. (Remember I am not a fan of a sole LLC for numerous reasons).

And federal unemployment tax is not owed on their salaries until they hit age 21.

If you have any questions please let us know.

New Employee/First Employee

I have a client that is handling their part time employees in a way I have never seen before. Their part timers are all in the late teens (youngest 19) and early twenties (oldest 24).

They are classified as employees and are paid as employees but they seem to be treated as though they are independent contractors. They seem to come and go as they please working what hours and days that they feel like it. They will not come in for days that they are scheduled, to the point that if they do not show up for 3 days in a row he then has to terminate them. I could not allow this in my office. We are to deadline driven to be allowed to accept it.

I have had heard and seen from other employers that have employees in this age group they are constantly looking at phones and texting friends when they are on the clock. I know one CPA who has had to collect the phone from employees before they start working and return at the end of the shift. One client has been asking me how to approach his son on dealing with his phone distraction.

I recognize that these are people making low pay for somewhat tedious part time jobs. So it will be interesting to see what type of people they grow up to be. Especially with all the glowing write-ups that the Millennial's have received to date.

-Leif Jensen

Featured Client



A professional photographer for over twenty years. Stan Kotecki has traveled the world on assignment for clients from Fortune 500 ranks to start-up entrepreneurships. Although skilled in both studio and location photography Stan prefers the challenges of location shooting. "It's very gratifying when you are able to add an element of drama to a realistic situation or subject. To capture an image that makes a viewer pause and take a longer or second look is real success."

Stan's images have graced the covers of numerous trade publications to his clients. His work on assorted collateral material for clients has helped them win prestigious graphics arts awards.

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