

Client Tell

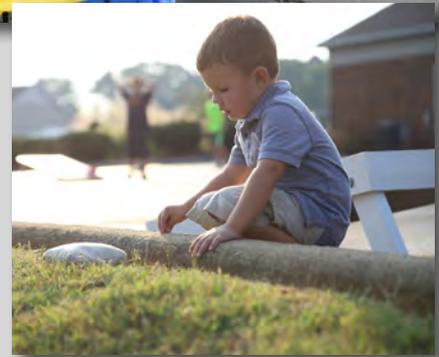
Blackburn, Childers, and Steagall, PLC
Certified Public Accountants and Consultants

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Blackburn, Childers & Steagall, PLC Quarterly Newsletter

BCS Backs the Bucs!

For ETSU's first game back on the gridiron in twelve years, 150 BCS partners, employees and their families tailgated and cheered on the Bucs at Kermit Tipton Stadium.





Great Leadership Attracts Talent

By Tommy Greer

As the job market continues to recover, organizations' greatest challenge for both short term and more importantly long term success will be to attract, retain and develop great people.

Below are 12 behaviors and traits top talent looks for in the leadership of an organization.

- 1. Honesty and Integrity** - Without these there is no need going on to two through twelve, please stop here. Honesty means saying what others are afraid to say, but doing it in a way to help someone get better rather than tear down. Without integrity there is no trust, without trust there is no foundation for a relationship – relationships rule the world, need I go on?
- 2. Vision** - Begin with the end in mind, but help others see it also. The gift of vision inspires, clarifies and unifies organizations over the long term. Top talent is not interested in the quest for comfortable mediocrity.
- 3. Passion** - Love what you do, do what you love. Genuine passion is contagious and attracts others. Passion starts with knowing “Why” you are doing what you are doing.
- 4. Learn Continuously** – Effective leaders never stop learning, nor do they rest on the laurels of their knowledge. In turn, they...
- 5. Teach/Invest in Others** – Developing others is an essential skill for great leaders. Talent remains with the organization that takes an active interest in investing in their people.
- 6. Empower Others** – Great leaders assign responsibilities,



not just tasks.

- 7. Results Oriented** – Great leaders focus on specific objectives and measure clearly defined outcomes; they also focus on team results rather than promoting their individual achievements.
- 8. Communicating and Listening** – Great leaders and great organizations alike know that communication, listening and the ability to see issues from others' perspectives are vital in collaborative environments.
- 9. Not Afraid of Constructive Conflict** – The ability to work through issues rather than “blowing up” or just avoiding the subject is imperative. The other ways do not work, and both are damaging.
- 10. Optimistic** – Promotes a “can do” attitude that helps others see problems as temporary and achieve results they never thought possible.
- 11. Genuine Caring** – Great leaders care for employees and contribute to their success rather than seeing them as a means to an end.
- 12. Have Fun** – Work doesn't have to be serious all the time, celebration and laughter in the workplace is a good thing.

Great leaders tend to build more great leaders. Your top talent and top recruits want to work for an organization that shows it is capable of investing in the growth of an individual while helping the whole team be successful.

Personal Lines



David Babb Congratulations to David and Sarah on the birth of their son Kent Taylor Babb on July 16th, weighing 7lbs., 10 oz. and 19.5 inches long. He joins big brother Oliver.



Nathan Goodwin Congratulations to Nathan and Keely on the birth of their daughter Lindy Carol Goodwin on August 10th, weighing 7lbs., 7 oz. and 20.75 inches long. She joins big sister Jovie.



Jeff Jennings Jeff is a new Supervisor in the Tax Department. He is a CPA with over 27 years of experience. He is a graduate of ETSU. Jeff is the Treasurer for the Gray Ruritan and attends Indian Springs Baptist with his family.



TN Hall Exemption Increase for Ages 65+ By Brandy Bradley

In May 2015, the Tennessee General Assembly passed legislation that increases the Hall income tax exemption for persons 65 years of age or older. To qualify for this exemption, total income from any and all sources must be below \$37,000 (formerly \$33,000) for single filers and below

\$68,000 (formerly \$59,000) for those who are married and filing jointly. If the taxpayers are married and filing jointly, they will qualify for the exemption if either spouse is age 65 or older; it is not required that both spouses exceed the age threshold.

Happy Fall

CELEBRATE GOD'S GOODNESS



It's Football Time



in East Tennessee!





DOL Proposes to Update Overtime Exemption Regulations

By Gina Lemons

The Fair Labor Standard Act (FLSA) was originally passed in 1940. After it was passed by Congress, the Department of Labor (DOL) had, and still has, the authority to update the regulations to more accurately match the current cost of living and income levels without Congressional approval. The DOL last updated the regulations in 2004. The Overtime Exemption Regulations have generally required each of the following three tests to be met for one of the FLSA's white collar exemptions to apply:

1. **Salary Basis Test** - Employee must be paid a predetermined and fixed salary that is not subject to reduction because of quality or quantity of work performed.
2. **Salary Level Test** - Amount of salary paid must meet a minimum specified amount (\$455 per week or \$23,660 annually).
3. **Duties Test** - Employee's job duties must primarily involve executive, administrative, or professional duties as defined by the regulations.

Earlier this year, President Obama signed a Presidential Memorandum directing the DOL to update the regulations that define which workers are protected by the FLSA's minimum wage and overtime standards, specifically the Salary Level Test requirements.

Key Provisions of the Rule

1. Raise the standard salary level for full-time salaried workers to \$921 per week, or \$47,892 annually.
2. Increase total annual compensation requirement needed to exempt highly compensated employees to \$122,148.
3. Establish a mechanism for automatically updating the salary and compensation levels going forward.

These updates were made because the current Salary Level Test does not accurately account for the 11 million workers who earn below the proposed salary threshold but hold management positions. The DOL also determined that workers earning as little as \$23,660 a year fell below the poverty line for a family of four. The Department of Labor used the following real life example on their recent blog.

A manager of a convenience store (and father to two young children) worked an average of 72 hours a week for a fixed salary amount. He worked so many hours that his hourly pay was less than most of the employees he supervised.

The DOL estimates that the final regulations will be in place in 2016. Now is the time to re-evaluate your salaried employees' annual income and plan accordingly. As always, we are here to help. Call our Small Business Services Department if you have any questions about this or any other small business question.

School Supplies Drive

BCS employees held a school supplies drive for the Johnson City Schools Homeless Children's Program.





Southern Appalachian Ronald McDonald House Golf Tournament

BCS was a sponsor and provided volunteers for the SARMH's annual golf tournament, which raised over \$55,000 for the House.



HSA Contributions

By Kenny Benson

Due to recent increases in the cost of health insurance, Health Savings Accounts (HSAs) have gained in popularity as a vehicle to finance health care expenses. An HSA, coupled with a high-deductible health insurance policy, allows a taxpayer to make tax-deductible contributions to a tax deferred account to save for future medical expenses. Contribution limits for 2015 are \$3,350 for an individual and \$6,650 for a family. For 2016, the individual contribution limit remains unchanged and the family limit increases by \$100 to \$6,750. Like Individual Retirement Accounts (IRAs), HSAs allow an individual age 55 or older to make additional catch-up contributions up to \$1,000.

As long as the funds withdrawn from a Health Savings Account are used to pay qualified medical expenses, they are withdrawn tax free. Any funds that are withdrawn from an HSA that are not used to pay qualified medical expenses will not only be subject to federal income tax, but will also be subject to a 20% penalty. Balances remaining in an HSA at the end of the year simply carry forward to the next year and are available to pay future medical expenses. Any earning on HSA account balances are not taxable in the

year earned, and, if used for qualified medical expenses, may escape taxation all together.

Contributions may be made by the employee/individual, or they can be made by an employer on the individual's behalf. If contributions are made by the employee and employer, the same contribution limits detailed above apply to the combined contribution total. Contributions can only be made up to the date an individual turns 65. Once age 65 is reached, no additional contributions can be made. Past the age of 65, withdrawals used to pay qualified medical expenses are still tax-free. However, funds withdrawn for purposes other than to pay qualified medical expenses will be subject to federal income tax, but are no longer subject to the 20% penalty.

If you have a high-deductible health insurance policy, or a high-deductible policy is an option, you may want to consider establishing a HSA as a tax-deductible way to save for future medical costs. Please call us if you have any questions regarding HSAs or HSA contributions.

BCS Blackburn, Childers & Steagall, PLC

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CHANGE SERVICE REQUESTED



BCS is excited to present a workshop to help church finance leaders become better stewards of the church's money. Our Church Finance Workshop is open to anyone. Feel free to share with pastors, treasurers, bookkeepers or finance committee members. Speakers will be Tommy Greer, Wade Farmer and Siena Rambo.

CHURCH FINANCE WORKSHOP

BCS will be presenting a two hour church finance workshop for anyone in the region involved in church finance. You will learn best practices related to: payroll and 1099s, housing allowance, designated gifts, finance committies, internal controls & budgeting. Cost is \$20 per person; meal is provided.

Bank of Tennessee Boardroom, Med Tech Pkwy, Johnson City
Thursday, October 22

Choose from: 11:30-1:30 pm or 6:00-8:00 pm

To register or obtain more information, please contact Kendra Hopson at 423.282.4511 or KHopson@BCScpa.com.

