

## FLSA Overtime Changes for Some Salaried Employees

By Melissa Crockett

The new ruling requires employers to pay exempt executive, administrative and some professional employees no less than \$913 per week equivalent to \$47,476 annually. This ruling goes into effect on December 1, 2016. Employers will be forced to choose between reclassifying an employee as nonexempt (eligible for overtime) or increasing an employee's salary to meet the new minimum salary requirements. The DOL did not make changes to the Standard Duties Test and allows up to 10% of standard salary level to come from non-discretionary bonuses, incentive payments, and commissions, paid at least quarterly. Employers will be allowed to make catch-up payments within one pay period at the end of a quarter if the salary paid plus the nondiscretionary bonuses, incentive payments and commissions paid does not equal the minimum salary level of \$931 per week. Employers will not be allowed to credit other benefits such as discretionary bonuses, payments for medical, disability, life insurance, contributions to retirement plans or other fringe benefits toward the minimum salary requirement.

Highly Compensated Employees (HCE) effective December 1, 2016 must earn a total annual compensation of \$134,004 or more. The HCE test does not allow employers to credit nondiscretionary bonuses, incentive payments and commissions towards the minimum salary requirement but it can count towards the annual compensation. HCEs must receive their full minimum salary each week in order to satisfy the exemption requirement.

Future automatic updates to these thresholds will occur every three years, beginning on January 1, 2020.

### What to do between now and 12/1/16?

- Review how each employee is classified, exempt vs. non-exempt, to insure exempt employees are properly classified and meet the Standard Duties Test;
- Review current salary-exempt employees and identify those whose salary falls below the \$47,476 threshold;
- Determine how many hours per week the current Salary-Exempt employees are working. If these individuals work more than 40 hours per week, decide whether their job requires more than 40 hours per week or if the hours can be reduced to 40 or less to avoid the increase;
- If the job performed requires more than 40 hours per week on a regular basis, employers will need to decide whether to increase the salary to the required \$47,476 or convert the position to a non-exempt pay plan and pay the employees overtime for hours worked in excess of 40 hours per week with an hourly rate at time and one-half.
- Formulate a plan for communicating needed changes to employees affected by the new ruling.

For additional information regarding the Duties Test for determining Exempt vs. Non-Exempt Status of your employees, please see the blog entry on April 28 on our website.



# Managing Your Personal Financial Plan

## By Tommy Greer



Two keys to developing a financial plan are knowing where you currently are and where your money has been going. Mint.com does a great job of telling you both with minimal effort on your part. Consider it your own personal financial dashboard with the ability to see all your balances and transactions in one easy place! Not to mention free credit score and investment performance reviews.

With over 20 million users, Mint is the best personal finance software available and it's free. When my wife Cay and I set it up, it took less than 45 minutes to fully complete including everything from banking, credit card, mortgage, and retirement/brokerage accounts. Upon initial setup, Mint seamlessly downloaded our financial data in a matter of seconds.

Mint's primary feature is all about budgeting and tracking expenses. It's designed to show you how and where you spend your money and this is where it excels. After initial setup, Mint continually downloads and syncs your transactions and auto-categorizes them into predefined categories or subcategories you establish. While you do have to monitor and correct categories assigned the automation of the posting more than makes up for any time spent here. Budgeting is super easy to setup.

Due to its syncing feature Mint can show your current Personal Financial Statement (everything you own & everything you owe) in a matter of seconds, even home value (provided by partner Zillow) and vehicles.

### Other Key Notes:

- Mint is PC Mag Editors' Choice for personal finance software; iTunes and Google both give it 4.5 stars out of 5.
- It is web-based so it is always accessible and thus no local software to install
- Quick and simple to set up and get started. Helpful tutorials. Excellent controls. Useful ads.
- Integrates with all major banks and financial institutions.
- Mint can't actually do anything with your money it only has permission to see where your money is going and when.
- While security is always a risk anytime you do anything online, Mint is owned by Intuit which also owns Turbo Tax, Quicken and QuickBooks.
- Creating new goals, such as paying off credit card debt or saving for a new home, are simple to set up and easily reflect in your monthly budgeting.

Personal financial success still requires a plan and discipline to be successful. It has also been proven that what gets measured and managed improves. If you are comfortable doing business on the web, give Mint.com a try and let me know what you think!





The Global Leadership Summit is a two-day event telecast live in HD from Willow Creek Church near Chicago every August to hundreds of locations in North America. The GLS helps people sharpen skills and develop the people they lead. First Christian Church in Johnson City is hosting the telecast. To register or learn more, please contact Kaitlyn Harville at 423.232.5700.



## New Due Dates By Jake Hutchison

The 2017 tax filing season contains several changes to due dates, the chart below shows each tax return along with the due dates. We wanted to emphasize two notable changes. Partnerships are now due March 15, a month earlier than prior years. Foreign account reporting (FBAR) is now due April 18, which has changed from June 30. Due date changes that are generally effective for taxable years starting after December 31, 2015 (2016 tax returns prepared

during the 2017 tax filing season).

April 15, 2017, falls on a weekend date, the following Monday, April 17, 2017, is a Washington D.C. Holiday, therefore Tuesday, April 18, 2017, is the due date. September 30, 2017, falls on a weekend date, therefore the following Monday, October 2, 2017, is the due date. October 15, 2017, falls on a weekend date, therefore the following Monday, October 16, 2017, is the due date.

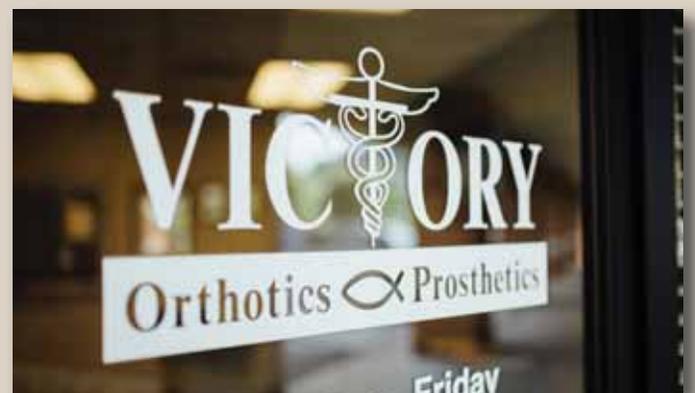
Return Type	Due Date	Extended Due Date	Changes
Partnership (calendar year) Form 1065	March 15, 2017	September 15, 2017	Due date moved to 15th day of March. No change to extended date.
S Corporation (calendar year) Form 1120S	March 15, 2017	September 15, 2017	No change from prior year.
C Corporation (calendar year) Form 1120	April 18, 2017	September 15, 2017	Due date moved to 15th day of April.
C Corporation (fiscal year other than 12/31 or 6/30) Form 1120	15th day of the 4th month after year-end	15th day of the 10th month after year-end	Both due and extended due dates fall back 1 month.
C Corporation (fiscal year for 6/30) Form 1120	September 15, 2017	February 15, 2018	No change from prior year.
Individual Form 1040	April 18, 2017	October 16, 2017	No change from the prior year.
Foreign Bank Financial Accounts Report (FBAR) Form 114	April 18, 2017	October 16, 2017	Due date moved to 15th day of April, extension now available.
Trust and Estate Form 1041	April 18, 2017	October 2, 2017	Extended due date changed to September 30.
Exempt Organizations (calendar year) Form 990	May 15, 2017	November 15, 2017	New extension will be an automatic 6-month extension.
Employee Benefit Plans Form 5500	July 31, 2017	October 16, 2017	No change.
Foreign Trusts with U.S. Owners	March 15, 2017	September 15, 2017	No change.

## Client Feature



“While I was attending college, my father had gone on a trip with my mother to Florida, and he stepped on something in the ocean and incurred a small wound on the bottom of his foot. Unfortunately, he didn’t know it at the time, that he was a diabetic, so he felt very little pain from that injury. Several months after the initial injury, and after continuous treatments to heal his foot, my mom called and said they’re rushing your dad into surgery to amputate his leg, and that if they didn’t amputate, he would die in 24 hours. My wife, my sister and I immediately went to the hospital and upon seeing my father post amputation, I had no words that could comfort my father except, I love you, Dad and I am here for you. My dad had once been a staggering 6’6” tall man was now primarily confined to his bed or a wheel chair. However, 5 months later, to my surprise my dad walked into my apartment on a prosthesis. I was immediately fascinated by the process, how did they make it, how did he learn to walk on it, and that’s how I got started in this business,” explains Zach Smith, one of the owners of family-run Victory Prosthetics & Orthotics.

“Zach called me one day and said, ‘Hey, do you want to go to prosthetics school with me?’” said Dave Smith, Zach’s brother and partner in the business. Originally from Pennsylvania, Zach and Dave both attended O&P school together in Pittsburgh PA. Once completed, they were living in different states and working toward the meeting the requirement of their O&P residency. They moved around, working for several companies prior to starting Victory in 2001.



# Victory Orthotics & Prosthetics

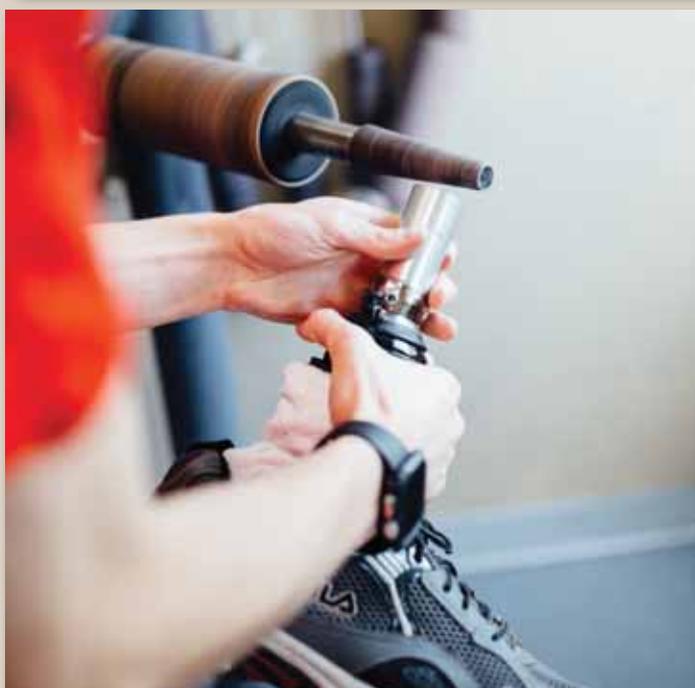
“Sheila Emory has been there for us since the beginning,” said Zach. “She was recommended by an attorney who was helping us, and she advised us to start an S Corporation. She helped us with SBA loans and funding. I knew nothing about accounting, and she taught me about the financial side of running a business. She helps us with our day-to-day accounting and year-end planning. Sheila’s been awesome!”

Victory has 28 employees, eight of which are family members. They operate in Johnson City, Kingsport, Bristol, and Knoxville, and in addition to their patient service locations, they have a lab to fabricate limbs. Victory serves patients from East Tennessee, and the surrounding region and primarily from Wellmont, MSHA, and Mountain Home VA. “Approximately seventy-five percent of limbs we make are for below-the-knee amputations that are due to diabetes or trauma. Twenty percent are above-the-knee, and five percent are upper extremity,” explained Dave.

## Passion for Helping Others

“When people come to our office, most of the time they are in a wheelchair, and we get to see them go from a wheelchair to standing and then to walking,” said Dave. “It’s rewarding to give people that part of their lives back.”

Zach and Dave came up with Victory’s name from I Corinthians 15:57, “But thanks be to God, who gives us the victory through our Lord Jesus Christ.” “To be in this business, you’ve got to have the ability to adapt to healthcare changes and a passion for helping other people.”





# What's Your Retirement Dream?

By Nathan Goodwin

If you have concerns about retirement, trust me, you're not alone. Between healthcare, volatile markets, Social Security and many other issues, the retirement landscape has never been more complex...and while you can never account for all the "what ifs" in life, the more you can anticipate, the better. Here at BCS Wealth Management, we've been tackling these issues with a cutting edge program called MoneyGuidePro. This software, which has been rated the number one planning software eight years running, delivers unprecedented value to clients while addressing their goals and concerns. The 4th generation of MoneyGuidePro was just released and shows improvement on an already stellar program.

MoneyGuidePro's goal-based approach allows us to address our client's concerns in a sophisticated but simple way. We can approach these issues from a conservative, worst case standpoint which can really stress a retirement plan. I know that sounds bad, but for retirement planning this is a great tool that can help to alleviate many of the fears our clients have. It also helps to pinpoint areas of improvement. Most would agree it's better to test a plan now, rather than dealing with the unknown later.

The retirement dream is different for everyone. Some want to travel, or move to their favorite coastal town. Others focus on charity or even starting a business. These are all areas that we can consider with a high level of specificity. What about maximizing Social Security, or when to take income from where? These are questions we can answer as well.

Having a solid retirement plan is more important now than ever before. MoneyGuidePro is a terrific tool, and is just one of many we provide to our clients.

So what's your retirement dream? Give us a call, we can help. BCS Wealth Management offers free consultations. Call 423-283-9821 to schedule yours today.



## Welcome New Advisors



**Philip Bachman** P.B. is a financial advisor with BCS Wealth. He holds the Series 7 and Series 66 Securities Licenses. He is a graduate of Babson College and previously worked in

accounting, finance, operations and management roles for the Phil Bachman auto dealerships. He has volunteered with the ETSU Roan Scholars, Boy Scouts of America, and First Presbyterian Church of Greeneville. For a complimentary consultation with P.B. in either Johnson City or Greeneville, please email him at [pbachman@bcswalth.com](mailto:pbachman@bcswalth.com).



**Paul Hoilman** Paul is a financial advisor with BCS Wealth and First Covenant. He holds the Life, Health and Long-Term Care Insurance Licenses and the Series 7 and Series 66 Securities Licenses. He is a graduate of

ETSU where he was a three-time NCAA All-American and a two-time Academic All-American. He was a finalist for the Golden Spikes Award and the NCAA Homerun Derby Champion in 2010. He is active in the local youth baseball community and Central Church of Christ. For a complimentary consultation with Paul, please email him at [phoilman@bcswalth.com](mailto:phoilman@bcswalth.com).

# Personal Lines



**Jeremy Wright** passed the CPA exam. He works in the Tax and Audit departments.



**Rachel Lyons** is a new admin assistant for BCS Wealth and First Covenant.



**Samantha Haynes** is a new Audit intern and attends ETSU.



**Jacob Pardue** is a new Small Business intern and attends the University of the Cumberlands.



**Chuck Huffman** received the “Leader in Christian Service Award” from Milligan College. Milligan introduced its Leaders in Christian Service award to identify examples of individuals from all walks of life who advance the cause of Christ in everything they do - character, professional/vocational leadership, and church and community. These servant leaders are introduced to the Milligan community so that we all may learn from their examples.



**Don Wallingford** Congrats to Don and Stephanie on the birth of their daughter, Emma Grace Wallingford, who weighed 7 lbs. 15 oz. and was 21 inches long.

# Audit Fun Day!

The Audit Department had a half day fun retreat, including BCS Jeopardy, Minute-to-Win-It games, biking, a trampoline park, bowling, and a cookout at Winged Deer Park followed by a departmental kickball game!





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# We're Now Accepting Online Payments

The BCS website is now setup to accept payments online either by ACH or Bill Pay. ACH is recommended for Small Business clients who pay on a recurring basis for monthly or quarterly service work. Bill Pay is encouraged for all other payments, such as annual tax return preparation. Please visit [BCSspa.com](http://BCSspa.com) and click on the "Make Payment Online" icon in the upper right hand corner for instructions.

# First Annual BCS Egg Toss

