



How the IRS helped pay for my son's education and boost our family wealth!

Do you have a small business?

Do you have a job and a sideline business?

Do you have kids or grandkids between the ages of 7 and 18?

Here is an easy way to create wealth for your family with a little-known technique. Hire your kids in your business.

Whether you are a single parent - divorced or widowed Mom or Dad, grandparent or a married couple ... if you have a small business you have a unique opportunity to...



- Take a big deduction off your taxes.
- Increase your net worth.
- Increase your kids net worth, and
- Give your kids a boost in self-esteem with increased responsibility, independence, accomplishment and success.

How?

Just by putting your kids on your payroll.

1. More money in your pocket: You deduct their salary which reduces how much you pay the IRS each year.
2. Pay is not taxed to your kids: Each child will not have to pay any taxes on their earned income up to \$6,300 (2015).

This works for any family business, and if your business is a sole proprietorship or LLC (Mom and Dad are the two partners) you can also eliminate unemployment (social security taxes, Medicare and Workers Comp) too. Another bonus!



Here's how it works:

- When Mom puts her 10 year old daughter on the payroll, she saves \$1,764.00 in income taxes in her 28% tax bracket.
- And her daughter keeps her tax-free \$6,300 which is put into her own savings account or investment plan for private school and college.

And this gets even better... **ROTH IRA for College!**



\$5,500 of the daughter's annual earned income a year is qualified for a traditional IRA or ROTH IRA.

The child could owe taxes on the traditional IRA once the money is withdrawn for college expenses, but those taxes would be very little or none. And there is no tax penalty on money withdrawn from an IRA, if the money is used for qualified college education expenses.

This is really awesome with a ROTH IRA. Although the ROTH IRA is not tax deductible, the money grows tax-free and contributions (not earnings) can be withdrawn tax-free and without penalty ANYTIME. Whoop whoop!

When Mom puts her child on your payroll, and pays her \$6,300 a year and she puts \$5,000 of it into a ROTH IRA every year for 10 years. At the end of the 10 years her child's ROTH, earning an average 6 percent return, has a value of \$74,858.21.



And more money for Mom too!

The IRS has allowed Mom a business deduction savings of \$1,764 every year she paid her child \$6,300. That's an extra \$17,640 she just kept in her pocket over the last 10 years.

Now with this new found pocket money of \$1,764 invested each year for 10 years with a 6 percent return, Mom's new found money could be worth \$26,409.

To Summarize...

Over \$100,000 - Increased Family Wealth!

In 10 years the ROTH college fund for her child is worth \$74,858. And Mom created an additional \$26,406 for herself just by putting one child on the payroll and smart family planning.

What if you pay them more than \$6,300?

Most likely your kids are in a lower tax bracket when you pay them more than the standard deduction. Since it is their money, are you concerned about your children's spending habits? You are probably aware there is a \$14,000 annual tax exclusion anyone regardless of age can gift each year. Just saying...



Why this works so well for parents, grandparents, and kids.



1. It's rewarding to you and your children and grandchildren.
2. You save money on your taxes,
3. Your children learn responsibilities by doing real work in your business, and
4. The money you pay them can be used for their benefit that you are probably spending on them with after-tax dollars.

Hiring your children can yield excellent rewards for the entire family. However, it is critical that you understand and follow the rules. There are stringent federal and state laws; however a family business can reap tremendous tax advantages from putting kids and grandkids on the payroll.

It doesn't get much sweeter than this!

This strategy paid for much of my son's education.

He started in my business at 7 years old taking out the trash, stuffing and stamping envelopes, helping me organize, etc.

As he got older his skills improved and responsibilities increased. So his pay although a minimum at first reached the maximum benefit allowed with his increased job duties.



What he learned was invaluable. It gave him an understanding that this disciplined approach to saving and investing begins at an early age and becomes easier with the financial freedom that wealth affords.

By our making tax-conscious decisions he learned that utilizing the system prevents his wealth from being gobbled up by taxes.

Now 30 years later my son is a college graduate with a budding career, a sideline business, and a proud father. He has blessed me with a grandson who will be 7 in a few years. I am now utilizing multiple strategies for his future education and well-being, and will be putting him on my payroll.



Thank you Uncle Sam.

You may say... this is very interesting but I don't have a business or know how to have a business. This is not rocket science.



After my father retired from his teaching career and at 90 years young he had a little business with his passion of growing and selling plants for people's garden.

He didn't make enough money doing this to put his grandson on his payroll, but he was having fun, and he really reduced his taxable income. Anyone can have a business to create more wealth.

What is your passion?

You must take the time to plan your taxes, or you will be giving away your hard earned money to the government!

Let's look at the list of taxes we all have to pay:

- Federal income and estate taxes.
- State income taxes.
- Local income taxes.
- Sales taxes.
- Real estate property taxes.
- Personal property taxes.
- Cell phone taxes
- Ad valorem taxes.
- Gasoline taxes.
- Import duty taxes.
- Sin taxes. (Cigarettes, booze, etc.)
- Travel taxes, (Hotel, airline, etc.)
- Excise taxes.
- Highway taxes



We are bombarded with so many taxes and fees everyday and there's nothing we can do about them. But we have a choice with income taxes.

When you use the strategies the wealthy use, you will feel the joy of knowing you are paying the least amount possible, with the safety of the IRS tax code backing you up.

Here is a very brief list of some of the tax savings opportunities business owners have.

- Tax free loans.
- Retirement plans.
- Deferrals of income, and speeding up deductions.
- Deductions for insurance, and other benefits for you and your family.
- Travel and entertainment.
- Education, expense and other reimbursements.
- Automobile use for the business.
- Deductions for businesses run out of the home.
- Tax advantaged income from leasing to your business.
- Transferring income to family members
- Deducting "start-up costs."
- Increased use of certain tax credits.



Remember that they make this stuff up, and it's to your advantage to follow the laws they make for us!

I could fill a library with all the advantages you have as a taxpayer who happens to own a business.

Why not fill your own library with all the tax savings ideas for your family?

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My clients will say that my view of financial planning is radically different for helping individuals and working with advisers. Unlike sales people pushing products designed as “financial planning”, I have maintained my independence to best help clients with solutions that may or may not include products, but sharing options that work best for you. Using my experience and years of service to clients throughout the county, I believe mentoring is the path to success.

How would you like to work with a wealth coach who helps you get the financial clutter out of your life, get organized, and work with you to stay on track for the financial horizons in your life?

My philosophy is like a pair of muddy boots. When you hire me as your coach, I get my boots muddy. I walk your fields with you. I get as deeply involved in your financial situation as you. And I thoroughly understand your problems before I make recommendations. In other words, I work hard to help you achieve your goals, and I take your friendship and your financial goals personally.

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