



# ALLOY SILVERSTEIN ACCOUNTANTS AND ADVISORS

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## client alert

fall 2021

### Why you need to review your pay stubs

Ending a job? Starting a new one? Working remotely? Perhaps you've moved, or your number of dependents has changed. On the flip side, your employer might have changed payroll companies. These are just a few reasons it's important to check every time you get paid.

Pay stubs not only detail what you have earned, they are essential proof of income for matters such as:

- Buying a car
- Renting an apartment
- Applying for a loan
- Purchasing a home
- Obtaining a credit card
- Applying for unemployment

Errors in payroll are more common than you think. The American Payroll Association estimates that one in three employers makes mistakes by underpaying an employee, or making tax calculation, benefit deduction, and paid time off errors.

Keep track of your paid time off and see if it matches up. Double check your benefit elections to make sure you are covered for the right amount and that 401(k) contributions are correct.

A little diligence every time you get paid can ensure that you receive the wages, benefits, and paid time off you deserve. ♦

### 4 simple ideas to ease your 2021 tax burden

**W**ith four months left in the year, it's not too late to maximize tax savings on your 2021 return. These four strategies can help cut your taxes.

**1. Contribute to retirement accounts.** Tally your contributions to date and determine how much more you can stash away by December 31. You can reduce your 2021 taxable income by as much as \$19,500 by contributing to a retirement account, and up to \$26,000 if you're age 50 or older.

**2. Increase daycare expenses.** There is a larger tax break in 2021 for childcare and eldercare costs. If you have one qualifying dependent, you can spend up to \$8,000 while cutting your tax bill by \$4,000. For more than one dependent, the spending limit is \$16,000 with an \$8,000 tax credit as long as your adjusted gross income does not exceed \$125,000.

**3. Contribute to an HSA or FSA.** If your employer offers a health savings account (HSA) or a flexible spending account (FSA), use it! In 2021 you can make pre-tax contributions up to \$2,750 into an FSA and funds can be used for health expenses and child care. Usually, you lose any money not spent during the year, but for 2021, you can roll over FSA funds to 2022. With an HSA, contributions are tax deductible, withdrawals for qualified healthcare expenses are tax-free and you can leave in money you don't need. Single filers can set aside \$3,600 and married couples \$7,200 in 2021.

**4. Make a charitable contribution.** Even if you take the standard deduction, you can still donate to your favorite charity and deduct up to \$300 if you're single and \$600 if you're married.

There's still plenty of time to make changes that will help reduce your tax liability for 2021. Your Alloy Silverstein team is available to talk you through these and other tax planning opportunities. ♦



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## Know this number!

Your net worth is all the things you own (assets) minus what you owe others (debts and liabilities). Understanding it can help you with financial decisions such as:

- **Student loans.** A high net worth may require you to foot some or all of the tuition bill yourself.
- **Insurance.** A high net worth can work in your favor when it comes to premiums.
- **Investments.** Some investments are only available to those with a certain net worth.
- **Buying a home.** Banks want to see your cash compared to your debts. If your debt is too high, you may need to pay it down or increase your down payment.

## Calculating your net worth

#1. Reconcile your bank accounts and loans.

#2. Determine the value of your other assets. For some, such as stocks, you can find the current value online. For others, you'll have to estimate what selling that asset would yield.

#3. Add up your assets, subtract your debts and the remainder is your net worth.

If you would like help calculating and understanding your net worth or learning how to reach your financial goals, talk with an Alloy Silverstein advisor today. ♦

## Virtual onboarding: check this list

With more companies adopting hybrid and remote work situations, the need for virtual onboarding will continue well into the future. According to Glassdoor, companies with a great onboarding process improve new hire retention by 82 percent and productivity by over 70 percent.

Here is a list of key actions to help you plan a positive onboarding experience.

### Before Day 1: Set a positive tone



Provide equipment  
e.g. computer, phone,  
and printer with  
installed software and  
passwords



Setup the employee  
on your VPN, VOIP,  
and project  
management  
software



The employee  
has tested  
everything



New hire  
paperwork is  
completed: W-4,  
I-9, state-specific  
tax forms



Employee handbook  
and any other written  
policies are received  
and acknowledged in  
writing

### Day 1: Make a great first impression



Send a Welcome Kit  
(Consider including swag,  
a hand-written welcome  
letter, notes from  
colleagues)



Meet virtually  
one-on-one to  
welcome the  
employee



Find out if their  
work area and  
equipment is  
working for them



Review basic  
benefits, pay  
periods, PTO  
policies



Discuss process: flow of  
tasks, approvals,  
communication  
channels, project  
management software



Assign one or more  
high performers who  
can show them the  
ropes



Get them started  
on a project



Provide a schedule of  
15-minute meetings with  
key people over the first  
few weeks

### Month 1 (and ongoing): Continue to show you care



Have regular  
check-in meetings,  
e.g. daily 5s, weekly  
10s or 20s



Ask for  
feedback on  
the onboarding  
process



Schedule fun  
ways to bring the  
team together  
remotely

*This information was provided during an Alloy Academy presentation given by John Baldino, president of global HR firm Humaraso. To view the full presentation, go to: [alloysilverstein.com/events](https://alloysilverstein.com/events).*

# Going into business? Start off on the right foot.

**I**n 2021, millions of people left their jobs to start businesses. If you are considering it, the first step is choosing a structure. It is a decision that impacts the ease and cost of formation, personal liability, taxes, reporting, and the ability to raise money.

Here are the different options.

**Sole proprietorship:** This is the easiest business to form. You can register a trade name with the state or just use your first and last name. You pay quarterly estimated taxes and at tax time, profits and losses are reported on your personal income tax return. The downside: you are personally responsible for the business's liabilities, and it is difficult to raise money.

**Partnership:** It is relatively easy to start a partnership and taxes are paid on each partner's tax return. Business liabilities are the partners' personal responsibility in a general partnership. In an LLP (limited liability partnership), partners are protected against debts and are not responsible for the actions of other partners.

**Limited Liability Company:** An LLC is a legal entity separate from its member owners. Profits and losses generally flow through to the members, liability is limited, ownership is flexible, and you can have single or multiple members.

**Corporation:** This is an independent entity that handles the business' responsibilities, is taxed separately, and can make a profit. The costs of incorporation can be steep and there are heavy record-keeping and reporting requirements. Another drawback: double taxation. The upside: owners' assets are protected, and money can be raised through stock or debt. A C-corp is the standard structure, but an S-corp allows profits and losses to be passed to shareholders' individual tax returns. Also, S-corps are not subject to the double taxation of a C-corp.

There are other considerations such as tax rates and the business's future. If you are thinking of starting your own company, it is important to get advice from an attorney or financial advisor. Alloy Silverstein is here to help. ♦



## security alert

### Cybersecurity tips for the hybrid workplace

**T**he hybrid work model is here to stay and with it comes a host of new business challenges including how to keep computer networks and employee devices secure.

One of the concerns is keeping machines up to speed with the latest software patches. Another is workers connecting to company networks with insecure devices. According to a survey by HP, 7 out of 10 workers have used work devices for personal tasks and personal devices for work.



What can businesses do? Here are some tips:

- Start with updating devices with the latest software patches.
- Use virtual private networks (VPNs) and advanced cloud software security services.

- If you do not already, use multi-factor authentication and end-to-end encryption.
- Restrict access using “least privilege” principles.
- Put machines used at home and brought into the office into a “quarantine network.”
- Update your technology policies. Spell out access rights, remote connection processes, and users' cybersecurity responsibilities.
- Most data breaches start with human error. Provide comprehensive cybersecurity training regularly.

Protecting your company against hackers will take new technological tools and a workforce that takes cybersecurity as seriously as your other business practices. ♦



## alloy happenings

- **Alloy Silverstein Accountants and Advisors**  
-Awarded "Best of Biz" for accounting in *South Jersey Biz*.
- **Ren Cicalese, CPA, PFS, CGMA**  
-Featured in the Invest: South Jersey article "Six Hundred Sixty-One Thousand Percent and Climbing," May 27.  
-Featured in the *South Jersey Biz* article "The Road Ahead," July 2021.
- **Ren Cicalese III, CPA, MST**  
Named a NJCPA 2021 Ovation Award Winner in the Impact Category, June 17.
- **Angela Venti**  
-Commented in the *FastCasual* article "Texas, Tennessee lawsuits trigger cancellation of restaurant revitalization money," June 25.
- **Angela Venti**  
**Adrienne Dell'Olio**  
**Olivia Gargano**  
-Attended the virtual Association for Accounting Marketing Annual Summit, May 26-28.

### Welcome

- **Janine Kiriluk**, Alloy Silverstein's new Director of Small Business Services.
- **Ashley Brown**, a bookkeeper with JB Financial Associates.
- **Stacy Miller**, a bookkeeper with JB Financial Associates.
- **Jenny Varndell**, formerly employed at a Thorofare, NJ firm.



*We're Hiring!*

Alloy Silverstein is searching for a dedicated, self-motivated Attest Audit Senior professional. The position may be virtual or in-person.

Apply at [AlloySilverstein.com/careers](https://AlloySilverstein.com/careers)

## Alloy Spotlight



This quarter's employee spotlight is on **Janine Kiriluk**, Director of the Alloy Silverstein Small Business Services division which offers bookkeeping, transactional accounting, financial reporting, outsourcing, and cloud accounting solutions to small businesses and entrepreneurs.

Janine, who started her career in the accounting department at Merrill Lynch/State Street Bank, ran two small businesses before founding and growing JB Financial Associates LLC into a thriving bookkeeping and reporting firm. She and her team provided accurate financial records for more than 100 small businesses in the South Jersey/Philadelphia area, allowing them to make wise decisions year-round, and to focus on growth. As of June 1, 2021, JB Financial Associates merged into Alloy Silverstein Accountants and Advisors.

Describing herself as a "numbers girl at heart," Janine says that the most gratifying part of what she does is helping business owners excel. "I truly believe that businesses need a strong financial foundation and that starts with continually knowing their numbers. Our services are really essential to enable businesses to pivot on a dime and think outside the box. That was no more apparent than when PPP came around, because a lot of people didn't have their financials readily available, and money was going fast."

Quality, accuracy and service are her priorities. "We really do care about our clients and their businesses and we want to see them thrive. We are there as a resource and whenever they call they have our undivided attention, and we will help them in the absolute best way we can."

A graduate of Rider University with a B.S. in Accounting, Janine is QuickBooks Online Certified and a member of the American Institute of Professional Bookkeepers and the National Association of Certified Public Bookkeepers. She is a board member of the Burlington County Regional Chamber of Commerce and a Walk to End Alzheimer's Team Captain. She received the Small Business Award by *South Jersey Biz* in 2016 and the New Voice Award from the Burlington County Regional Chamber of Commerce in 2018.

Janine is an empty nester and a resident of Lumberton, NJ who says family is everything to her. She enjoys visiting her daughter, Anna, in Poland and son, Matthew, in NC. She also enjoys traveling and learning different cultures. On the weekends you can find her hiking with her husband and dog, and singing in her church choir. ♦

### Team Alloy



Team Alloy pro golfer Matilda Castren won her first two major events this July: The LPGA MEDIHEAL Championship and the Ladies European Tour Gant Ladies Open. She then proudly represented her native country Finland at the Tokyo Olympics.

Joining Team Alloy for the 2021-22 worldwide season are:

- Kiira Riihijarvi, Finland
- Amelia Garvey, New Zealand
- Marion Duvernay, France ♦

## something <sup>2</sup> consider

### Jobs, oil, infrastructure, spending, inflation

by Ronald V. Donato, Jr., CFP®, MBA

If you have a weak constitution you may want to turn on your favorite movie and not read this article. Now that you have been forewarned, here is what is going on and the natural effects, in my opinion.

**JOBS:** Prior to the pandemic, the jobless rate was about 3.5% (according to federal numbers and data from the Survey of Consumer Expectations tracked by the NY Fed). This was a generational low! I won't revisit the tragic job loss and business closings that occurred during the pandemic. However, here is what is unusual: The average wage that someone would want to go back to work now has risen 15.66% from a year ago. This is at a time when there are 9.2 million unfilled jobs while about 9.5 million able people are unemployed. Nonfarm payrolls are up 15.6 million above the April 2020 number, which is great; but they are still 6.8 million below the pre-pandemic level! There are too many possible reasons for this to discuss here. Suffice it to say, logic dictates that if I can get paid more to stay home than to work, then that may entice some to stay home. I believe that the economic result of this is wage inflation.

**OIL/ENERGY:** Prior to the closing of the various pipelines and other sources of energy being produced in the U.S., which made us energy independent, the cost to heat your home, drive your car, etc. was

much lower than it is now. Nearly everything we wear, use, and make has petroleum used in its creation. Add to this the fact that most electricity is created by burning coal (which China produces cheaply and now has a larger part in supplying). Let's not even get into the renewed dependence on Middle East and Russian oil suppliers. Again, logic dictates that prices for all goods and services will continue to rise unless this is corrected very soon.

**INFRASTRUCTURE AND SPENDING:** We still have not used a VERY large amount of the original Covid spending package approved last year by Congress. However, we apparently need to spend another \$5.5 trillion for new social programs; and a little bit of what most people call infrastructure. After the Trump election, I wrote an article stating that we need new infrastructure spending, which we do need. However, if we can re-define infrastructure to include non-productive programs, then all we do is put money into the system that does not create wealth. This will diminish the value of the dollar and will create...wait for it...more inflation. If you think this will get paid for with only the "rich" getting taxed more, then you are not good at math.

Some prognosticators think this inflation is temporary. I really hope they are correct, but I don't think so. ♦



Alloy Silverstein is proud to announce the results of our 9th annual United Way employee giving campaign. We have raised \$12,016 to help the United Way and its partner agencies.

### It is time to begin your PPP Forgiveness Application

#### ALLOY SILVERSTEIN CAN HELP!

- » PPP Loan Savings
- » Employee Retention Credit Calculation
- » Time Gross Receipts for More Money
- » Additional Saving with Aggressive Calculation Decisions

Don't miss out on the opportunity of more money for your business!



## Alloy Expands Small Business Division



FINANCIAL  
ASSOCIATES LLC



**JB Financial  
Associates  
has merged with  
Alloy Silverstein  
effective  
June 1, 2021**

JB Financial Associates LLC, a Mount Laurel, NJ bookkeeping and consulting practice has merged with Alloy Silverstein to expand the company's small business division, which will continue to provide bookkeeping, transactional accounting, financial reporting, outsourcing, and cloud accounting solutions.

Founded in 2013 by Janine Kiriluk, JB Financial Associates LLC has supported small businesses in the Greater Philadelphia Region with full-service bookkeeping, transactional accounting, reporting, consulting, placement, and QuickBooks services. With an emphasis on award-winning client service, the division will also continue to serve the clients of JB Financial Associates' partner CPA firms.

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## What the IRS is up to

### Guidance to employers claiming the employee retention tax credit

Details on updates to the employee retention credit for the third and fourth quarters of 2021 are now available. Among the changes: the credit is available to eligible employers that pay qualified wages after June 30, 2021, and before January 1, 2022, expanding eligible employers to include "recovery startup businesses," and modifying the definition of qualified wages for "severely financially distressed employers." Details can be found on the Coronavirus page of IRS.gov. ♦

### Identity protection PIN available

You can now prevent someone else from filing a tax return with your Social Security number by getting an Identity Protection PIN (IP PIN). The IP PIN is a six-digit number known only to the taxpayer and the IRS, and is valid for one calendar year. To get an IP PIN for 2021, go to the IRS website and the Get an IP PIN page. ♦

### Interest rates remain the same for third quarter

There is no change to interest rates for the calendar quarter that began July 1, 2021. The rates remain:

- 3% for overpayments (2% in the case of a corporation),
- 0% for the portion of a corporate overpayment exceeding \$10,000,
- 3% for underpayments and
- 5% for large corporate underpayments. ♦

### New Jersey changes remote worker taxation

Starting on October 1, 2021, the New Jersey Division of Taxation will end the temporary relief period regarding employers withholding tax for teleworking employees. That means employers should focus on where the work is being performed, not where the employee lives and withhold New Jersey Gross Income Tax from wages. Other temporary rules for the corporation business tax and for sales tax purposes will also be lifted on October 1. ♦

## Upcoming tax deadlines

### September 15

- Third quarter individual estimated tax payments for 2021 are due.
- Filing deadline for extended 2020 S-corporation and partnership returns.

### October 15

- Filing deadline for extended 2020 individual tax returns and calendar-year C-corporation returns.

### During November

- Estimate your 2021 income tax liability and review your options for minimizing your 2021 taxes. Call to schedule a tax planning review. ♦

### Follow us on social media



Stay up-to-date with the latest firm information and breaking tax and business news.  
(We also appreciate reviews and recommendations!)

*This newsletter is issued quarterly to provide you with an informative summary of current business, financial and tax planning news and opportunities. Do not apply this general information to your specific situation without additional details. Be aware that the tax laws contain varying effective dates and numerous limitations and exceptions that cannot be summarized easily. For details and guidance in applying the tax rules to your individual circumstances, please contact us. Information used is obtained from sources considered to be reliable.*

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