A Tradition of Excellence is Tops With Roofing Company

When asked how he would sum up the business model for his company Larry Marshall, president, of L. Marshall Roofing & Sheet Metal, Inc. would tell you it’s all based on relationships. Relationships built on mutual respect and a philosophy that puts customers and employees first.

“My family has a history of embracing the servant-leader model of management,” he said. “It works well with customers, and it certainly works well with our employees. I don’t think I would enjoy the business if it was any other way.”

This is how Mr. Marshall has been running the business since he assumed the helm from his father in 1996, and will continue to do so as they make decisions for their vision of the company’s future.

A Family Affair

Larry did not initially plan to go into the family business. After a short successful career in industrial sales, Larry heard a new calling and decided to attend law school. To help pay for law school he started helping out at the company, learning the business from the ground up. After graduation from law school one thing lead to another and 35 years later two of his sons have joined him with hopes of a third coming on-board.

Over A Century of Service

L. Marshall Roofing, Glenview, Illinois, was established in 1913; it is a union roofing and architectural sheet metal company that focuses almost exclusively on commercial work, along with high-end residential restoration work focusing on ornamental slate, tile, sheet metal work and green roofs.

Some of L. Marshall Roofing’s noteworthy projects in the Chicagoland area include the Merchandise Mart, Rockefeller Chapel at the University of Chicago, the Harold Washington Library, the Drake and Knickerbocker Hotels. They’ve recently completed major slate roof restorations at the Northwestern Pritzker School of Law in Chicago and The University of St. Mary of the Lake in Mundelein. Along with roofing services, the company recognizes the importance, and rewards, of community service. The company actively supports the St. Vincent DePaul Center, and the Cristo Rey Network, which among its many services, offers the opportunity for students to gain real-world job experience. Larry is an active member of the Midwest Roofing Contractors Association where he is nearing the end of his term as president.

Building for the Future

Putting customers and employees first appears to be working well for everyone to date, but the company is not about to rest on its laurels. “In the future, much will change for the better. Innovative and energy savings products will be implemented and new operational improvements will also be examined and embraced,” noted Marshall.

KRD has been helping L. Marshall Roofing plan for the future by providing comprehensive financial advice. “Since the beginning of our partnership, KRD has established themselves as a invaluable mentor, helping guide our financial strategy, decisions and success’ noted Marshall. “I consult regularly with Mitch Knopoff, and rely on his advice, both personally and professionally.”
Don’t Miss Your Application Date for Medicare
Penalties Can Apply

If you are a part of the baby boomer generation that is rapidly approaching retirement age, be aware of these important factors regarding Medicare, our country’s health insurance program for people age 65 or older (and certain eligible individuals younger than age 65).

Those approaching age 65 must sign up for Medicare in a timely manner in order to avoid the possibility of a lapse in insurance or a permanent increase in premiums for Part B coverage (possibly for the rest of your life). The initial enrollment timeframe for Medicare begins three months before and ends three months after your 65th birthday. Missing the initial enrollment means you will need to wait for the next open enrollment period – which may be a while.

Possible Premium Penalties

Medicare Part A – provides hospital insurance coverage and is free of charge to those who qualify for coverage. There is no premium penalty since the coverage is free.

Medicare Part B – provides physician and outpatient services. The penalty is a 10% increase in premiums per year of deferral after age 65. Even more – missing the initial or open enrollment by only a month results in a full year premium penalty upon subsequent enrollment.

Medicare Part C – is an option available through private insurers.

Medicare Part D – provides prescription drug coverage; it is an elective coverage which requires a monthly premium. The premium penalty is 1% for each month of deferral (up to 12% per year).

Here’s an exception to the application timing rule – if you continue to work past age 65 and you’re covered under an employer group plan, no premium penalties will apply as long as you enroll for Medicare within 8 months of your retirement. The important part – the 8 month period is based on your retirement date (separation from service) even if your employer provides retiree health insurance and you’re still receiving coverage from them after you retire.

Some individuals misunderstand that because they are receiving insurance benefits (COBRA or otherwise) from their employer after their retirement they don’t need to apply for Medicare until their current insurance ends; unfortunately this will likely result in excessive premium penalties. Therefore, don’t wait to apply for Medicare when your employer group insurance ends, rather apply within 8 months of your retirement date.

Other consequences to missing your enrollment date include possible higher out-of-pocket expenses, excessive health insurance costs to avoid an insurance lapse while waiting for the next enrollment period, and tax penalties as outlined in the Affordable Care Act (ACA) for an insurance lapse.

It is important you understand how Medicare coverage works with your existing health coverage. Talk to your financial advisor to make sure you’re informed and can make the best choices for your situation.

Are You a Great Manager? Compare Yourself
Continued…from our KRD Newsletter WINTER 2015/2016

Great managers aren’t born, they’re made. And becoming a great manager requires honest self-analysis and periodic reassessments. The following checklist was designed to guide you in that analysis – take stock of your people skills. Then, tuck it away and revisit it in six months.

11. Don’t play the blame game. In the face of adversity, look to solve the problem, not place blame. Employees value knowing that you have their backs. That doesn’t mean you should insulate them against deserved discipline. Just don’t throw employees under the bus when they make honest mistakes.

12. Give employees a voice. Whenever possible, let them have a say in decisions that directly impact them. Also, ask them for feedback. If you cannot implement their suggestions, explain why.

13. Listen, really listen, to what employees are saying. Sometimes, you have to read between the lines or listen for what’s not said.

14. Keep employees in the loop. Let them know when, why and how decisions are made. Also, explain the reasons behind new policies or changes to existing policies.

15. Keep things in perspective. Don’t go crazy over something trivial. Ask yourself, “Will this matter in a week from now?” If not, it might be best to just let it go.

16. Don’t waste employees’ time. Call meetings only when absolutely necessary. Have a clear agenda and be organized. Also, recognize that employees have lives outside of work – give them flexibility to live them.

17. Compromise. Meeting employees halfway goes a long way! Be careful, however, of compromising too often. If you do, employees may start to think they can bend your will whenever they want, and, in the process, lose respect for your authority.

18. Be blunt, but tactful. Don’t beat around the bush. Burying your message in small talk, could result in the message getting lost.

19. Hold all employees accountable, i.e. don’t play favorites. By failing to treat similarly situated employees the same, it may pit them against each other and it could result in a discrimination claim.

20. Open your door, and walk out of it. It’s important for employees to know that your door is always open to them. But be careful of waiting for them to come to you. Make a habit of walking around the department and interacting with employees in their workspaces.

The Manager’s Handbook:
Solutions to the 8 Main Management Headaches
Overtime Threshold Increase Update

In May 2016, the Department of Labor (DOL) announced revised regulations that affect the Fair Labor Standards Act’s “white collar” overtime exemptions.

The final regulations increase the salary threshold needed to qualify for most overtime exemptions from $455/week ($23,600 per year) to $913/week ($47,476/year). The final regulations require that employees below the new threshold be paid overtime (1.5 times their equivalent hourly wage) for any time worked each week above 40 hours.

Any business that employs workers with salaries under $47,476 will be directly affected by the new regulations and needs to consider their best course of action for each affected employee. It is estimated that 64% of employers have one employee or more that are affected by the threshold increase. Organizations must begin to comply as of December 1, 2016.

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The Burden of Proof is on the Employer
- Determine if your company/employees are affected
- Start tracking your salaried employees hours now
- Consider the options and do the math
- Inform your employees
- Create a monthly report

We Anticipate Employers Will Choose Between 4 Options
- Reclassify affected employees and pay them overtime
- Reclassify employees from salary to an hourly rate then adjust the hourly rate to reflect expected overtime hrs
- Bump up affected employee's salaries to $47,476
- Reclassify employees, prohibit unauthorized overtime and manage employee hours carefully

Some Employee Groups Not Affected By This Update
- Non-Exempt employees
- Commissioned sales employees
- Computer professionals
- Drivers, driver’s helpers, loaders and mechanics.

For a detailed list visit: webapps.dol.gov/elaws/whd/flsa/screen75.asp

KRD Sponsors EPIC Academy Fundraiser Gala
100% of EPIC seniors have been accepted to college since 2013.

International Corner
KRD co-sponsored the 2016 GGI North American Regional Conference. The conference was attended by members from countries across the world.

As always, the conference provided valuable information we share amongst our employees and utilize with our clients. Topics included Global Mobility Solutions; Auditing, Reporting & Compliance; Trust & Estate Planning; International Taxation as well as legal topics on Litigation & Dispute Resolution and Labor Laws.

GGI is a worldwide alliance of experienced accounting, consulting and law firms that provide clients with solutions for international business requirements. KRD utilizes our membership to benefit our international clients and those considering international trade. Let us know if we can be assistance to your organization.

CONGRATULATIONS
On your retirement from KRD.

Pat Clark
We’ll miss you!
A special kind of irrevocable trust can be used to transfer your residence to your children at a significantly reduced gift tax cost and with no estate tax, yet allow you to continue to live in the residence for as long as you wish. This special type of trust is known as a Qualified Personal Residence Trust (QPRT).

During your lifetime, you transfer your residence to the trustee of this qualified personal residence trust, who (if state law permits) can be yourself. The trustee must allow you to continue to use the residence rent-free for a fixed number of years specified in the trust instrument (the “fixed term”), which should be a term you are likely to survive. During the fixed term, you will continue to pay mortgage expenses, real estate taxes, insurance, and other household expenses, and will continue to deduct mortgage interest and real estate taxes on your individual income tax return. When the fixed term ends, the residence is distributed to your children, or remains in further trust for them.

Even after the fixed term ends, you can continue to use the residence in one of two ways. First, rather than immediately distributing the residence to your children, the residence can be retained in trust for your spouse’s lifetime, thus assuring that the residence is available throughout your spouse’s lifetime. Second, you can enter into a lease with your children which will allow you to live in the residence for as long as you wish. If you do so, however, you must pay fair market value rent to your children after the fixed term ends in order to keep the residence from being subject to estate tax on your death.

Although your transfer of the residence to the trust is a taxable gift, you are allowed to subtract, from the fair market value of the residence, the value of your right to live rent-free in the residence for the fixed term. Thus, the amount of the taxable gift will usually be substantially less than the fair market value of the residence. If the amount of the gift is less than your available exclusion from the gift tax ($5,430,000 in 2015, reduced by amounts allowed for gifts in previous years) then no gift tax will be due as a result of your gift to the trust.

If you survive the fixed term of the QPRT, the value of the residence will not be included in your estate for estate tax purposes. Even if you don’t survive the fixed term, the estate tax consequences will be no worse than they would have been if you hadn’t created the trust in the first place.

A QPRT is an effective way to remove a residence’s value from your estate at a greatly reduced gift tax cost.