

## Chapter 1 : How to Hire Family Members | calendrierdelascience.com

*Having family members working in your business does present some unique tax and employment situations. Hiring Family Members It's best to remember one rule when employing your spouse, child, parent, or other family members: treat the family member the same as any other employee.*

Cheap labor, unconditional loyalty and built-in familiarity are a few. Holiday discomfort aside, think long and hard before considering a family member as an employee. Consequently, we only get to see each other every few years. When we do, it only takes a few minutes for us to fall right back into our childhood pecking order. There are a few positives about hiring a family member. If you do, I commend you—and resent you at the same time. Family members are more likely to work odd hours and accept lower pay, especially during those lean start-up months. If, after careful consideration, you do decide to bring on little Mort or Cousin Molly, the last thing you should do is relax any hiring procedures and practices. On the contrary, you should stick to the book and maybe even add a few pages. If not, you are asking for trouble. Policies for things like overtime, paid holidays and disciplinary guidelines must be comprehensive and you should have them writing. Family knows how to push your buttons; they are the ones who installed them in the first place. Another potential pitfall with hiring family is nepotism, especially if you have multiple employees. Bringing in your kid brother to sweep the floors on weekends might not cause a ripple, but how about calling on him in to manage a department? He had better be twice as good and thrice as humble as the last guy, or dissension and even outright mutiny could follow. Vendors, associates, and customers need to be considered as well. Nearly anything could be construed as favoritism, especially favoritism. Can you handle it? Is he worth it? Although, in this case, you might need to change the lock on that back door.

## Chapter 2 : Press Release: Employing Family Members in Your Business

*One of the advantages of operating your own business is hiring family members. However, employment tax requirements for family employees may vary from those that apply to other employees. The following information may assist you with pointing out some differences to consider. Payments for the.*

Before jumping in, understand the good, bad and ugly that might come from it. Finding the right employees for your business is hard, and so is retaining them. When you need a hire on short notice or an extra pair of competent hands to help, turning to family members can seem like a great option. After all, what is family for if not to lean on? While working with family members might seem like a good idea, it can often lead to challenging and uncomfortable situations or even potentially hurt relationships. Of course, there are always exceptions, and some family businesses rely on keeping employees and hiring processes within the family. Thinking critically about potential hire outcomes beforehand can help you forecast whether or not hiring family members--or friends--is the right move your business. There are several obvious benefits to hiring a family member or close friend. Before they even start working, you probably already have a good idea of what their strengths are and how they can be used to the advantage of your business. An added bonus is that, given your personal relationship with them, you might not have to run a background check and can already determine the quality of their character. The high trust level makes for a pre-seasoned employee, which can be an excellent investment for business owners. One really popular way many business owners use family members for employees is through informal hiring. In this kind of situation, employees are much more likely to work for lower rates. For example, if a restaurant owner has a nephew who wants to make some extra weekend money, he might bus tables for a small amount of cash. Informal hiring like this, in which a service is exchanged for money under the table, is a common practice for many family businesses. Hiring a family member or individual with whom you have a personal relationship does not come without a fair number of risks. First and foremost, in making a personal hire, you run the risk of nepotism. Perceived nepotism can be just as problematic as actual nepotism, and once the thought of employee preference is there, it can be challenging to get rid of. If hiring someone with whom you have a personal relationship ends badly, it could very easily cause damage that persists long after employment. Next time you consider hiring a family member or friend, ask yourself what it would be like at the next family get together if you had recently fired them. Work atmosphere is extremely important for many professionals, especially business owners. Being at work and doing your job can be the time when you find yourself doing stimulating tasks that give you a healthy break from your personal life. Losing your "happy place" at work has the potential to make you dread going at all, in addition to damaging valuable personal relationships. Mar 22, More from Inc.

### Chapter 3 : Tax Implications of Employing Family Members

*Today, Iâ€™m going to talk about the tax implications of employing family members at your small business. The tax rules for family employees may differ from other employees depending on the family relationship and the business entity type.*

Contact us on 07 or info finh. Neither practice is correct, but they are difficult to address once entrenched. For many business leaders, giving children and relatives a place to work is one of the primary drivers behind owning a family business. Unfortunately, in our experience, blindly hiring family members without thinking carefully about how they fit into the current and future needs of your business frequently leads to family friction as well as problems for the business. There can be many benefits to employing family and many businesses count their employment practices among their strongest competitive advantages. Family members are more likely to be truly committed to the success of the business; when times get tough, family is more likely to stick together and do what needs to be done to get the business through; children who work in the business can provide a natural succession option when the older generation decides to step away from the business. There are also many ways in which employing family can go wrong. In my experience, holding to the following best practices can help your business thrive while employing family and avoid many of the pitfalls related to family employees. Create clear job descriptions and expectations for each position. Developing clear expectations for each role and identifying performance standards will help you bring every member of your firm up to the bar. Understanding exactly what you need from each employee makes it easier to conduct impartial reviews and objectively address any issues with your family and non-family employees. As part of the professionalization of your firm, consider creating career paths for each employee where you map out possible trajectories within the firm and decide on performance objectives together. For non-family employees, this process can help reduce turnover by showing them how they can progress within the firm. It will also help you identify ambitious employees who may be able to take on future leadership roles. Pay all employees market rates. One of the best ways to prevent favouritism and promote loyalty among your employees is to establish market-based pay rates for each position in your firm. We generally recommend that family businesses separate ownership interests from employment. This allows profits from the business to be distributed to family members according to ownership shares while keeping work-related pay tied to employment. Establish that a job in the family business is a privilege, not a right. Employment in the business should be considered an opportunity and applications from family members must be evaluated on their merits. Every member of your family is not cut out to work in the family business. Hiring a relative just because of a blood relationship can cause friction with other employees and lead non-family employees to become resentful, potentially affecting productivity or increasing turnover. The most successful multigenerational family businesses nearly all require family members to gain experience outside of the business before taking a position. It gives them the opportunity to prove themselves outside of the family and avoids ossification of the family business by ensuring a steady supply of fresh ideas. Judge family and non-family employees by the same standards of success. Setting clear expectations and benchmarking performance will help you keep work evaluations free from bias. If you are concerned about favouritism or maintaining objectivity, I would recommend that you bring in outside experts to evaluate your HR practices and set up a process for unbiased assessments. Ultimately, your business exists to make a profit. As an owner, you need to establish a clear business case for every employee you hire, including family members. Developing professional HR practices and standards for employment or promotion will help you avoid some of the employment pitfalls of hiring family members. Contact FINH on 07

### Chapter 4 : Tips for Employing Family Members in Your Business - Family Business Advisors

*Employing family members in your business can conversely be both a tremendous help and sometimes a hindrance. As a family business advisor I have seen families where a family member may work 12 hour days as their "duty" and other family enterprises where a position in the business is seen as a right.*

Before you bring your best friend, brother-in-law, or third cousin twice removed on board, consider these pros and cons of hiring family and friends. Should you hire your own flesh and blood "or relatives close or distant" to work with you and for you in your small business ventures? For that matter, should you hire friends to work with you and for you? What kinds of things need to be considered? Are there pros and cons? Sometimes the casual atmosphere makes it difficult to fully delineate the leadership role and get everyone to step up to the plate when needed. And the ones who will be contacting you are likely looking for any work, not just your type of work. This economy is hitting many of us very hard and lots of people are looking for some work "any work at all. But when there are so many available workers out there, you need to resist the temptation to hire family and friends without putting at least some consideration into the decision and the process. Your business success may depend on finding the right fit, not just any fit. Some things to consider: Pros How about pros and cons? As with any situation, there are good things and bad things about working directly with your friends and family members. Actually, by re-reading the pros I realize that some of those could very well be cons. Sometimes the unknown is better than the known. Here are a few cons to consider: Uncomfortable situations are exacerbated ten fold and compensation issues can be awkward. Plus, when family issues come up necessitating time off, it can present interesting issues. And what about those sick days that people sometimes tell little white lies about? All of these need to be considered. My personal take is there is too much that can get in the way of good business and good business decisions. I look forward to your comments. Brad is married, a father of 11, and living in sunny Las Vegas, NV.

**Chapter 5 : Nepotism Negatives: The Pitfalls of Hiring Family Members**

*If so, you maybe like many others in your situation, who are employing family members and are confused about the IRS requirements for tax withholding, etc. In this short video Jean Wetzler is talking with Cheryl Sherwood of the IRS about employing family members.*

Enter your email to reset your password Or sign up using: Merit-based employment offers long-lasting rewards while entitlement presents greater risks. It is hard to be objective about hiring relatives, especially a son or daughter. When it comes to family-run businesses, entrepreneurial inclinations may very well present themselves in family members early on in life. Of course, one has to be on the lookout for entrepreneurial vim and vigor vs. The head of the householdâ€™ and the businessâ€™ has to steer clear of any total thoughtless placement of family members within the company. Family-run businesses account for nearly 35 percent of the largest companies in the U. More than 30 percent of all family-owned businesses survive into the second generation. But only about 13 percent are passed onto the third generation. NASCAR is an example of a family business in which the second generation trained, nurtured and handed over the reins to the third generation, says Rivers. Founded by Bill France Sr. He set a goal of learning the business from the ground up, to be accountable, to earn respect over time, and to be mindful of the traditions and legacy of his father and grandfather. He thought things out pretty well about how he wanted to work and move up in the business, says Rivers. He prepared himself with the necessary tools to become CEO. He also studied about family businesses. But the board of directors retains the ultimate authority. France has said that the board gives the entire NASCAR management team, not just him, autonomy; there are expectations and a clear set of controls along the way. According to insiders the two siblings consult with one another on a regular basis. The key to running a successful family business is to have shared values and good relationships within the family, says Gaia Marchisio, Ph. They have to learn how to work together as a team. The point is not who the best is or who is winning over the others," she explains. You teach them how to talk to one another to avoid personality clashes or infighting. Hilbert-Davis says most family businesses failed ultimately because members were brought in by birthright. A first cousin might be more qualified than the eldest son to lead the company. Family members must realize that it is not birthright but meritocracy that counts. Business consultants stress that families need to build the path and to follow a road map for creating healthy and wealthy entrepreneurs.

**How to Hire Family Members:** It is important to have crystal clear goals and expectations for family members in the business supported by clear management roles. The family employee policy should spell out what to expect when hiring family members, regardless if they are coming into an entry position or at the executive level, says Hilbert-Davis. This will help when you get those calls from Aunt Sarah who wants her son to work in the business. What is his or her career path going to look like? Forget about training, there is not even any orientation. Define Roles and Responsibilities The job description for most family businesses is to do whatever it takes. In the early stages of the family business, there is a tendency to have everyone pitching in, says Rivers. This is a recipe for confusion. Is there a place for family members when there is no real role for them in the business? Some companies have set up an account or fund to help them start their own businesses, says Marchisio. Just be sure to establish guidelines for applying for such funds that could be gifts or loans. Others have set up a family foundation or community-based initiatives, such as a scholarship program, to which non-employee members can get involved. They coordinate and do the charitable work of the family business. Groom the Next Generation Establish formal or informal programs. For instance, in addition to giving teenage family members opportunities to work in the business after school, you could actually create summer internships. Set up some type of mentoring program, suggests Marchisio. Young people can become apprentices to their older relatives and learn the inner workings of the business. Mentors should also include people from outside of the family, she advises. The conventional wisdom is that family members should spend two to five years working outside of the family business at another company in the same industry. Rivers says that there are great resources out there for industry specific education, starting with trade associations as well as local community colleges. Avoid the Sense of Favoritism or Nepotism A clear line of communication

between the head office and the field is crucial. Hold regular forums or meetings. Get key personnel together and do a focus group; use them to help integrate family members into the business. Rivers suggests you set some boundaries between family members and the family business by considering joining a peer group. A third alternative he says is to hire outside business consultants. Focus on the Business Not the Family There are basically two distinct models: By focusing on the business first, enough wealth was created to take care of family members for generations to come, he explains. Family first businesses ironically ended up taking less good care of family members in the long run. With the businesses that focused on family, certain perks were doled out or personal expenses were passed through the business. Bloodline meant employment was virtually guaranteed; meaning, no family member ever got fired. But Rivers says, "the needs of the business and not the needs of individual family members should always come first."

**Chapter 6 : Employing Family Members**

*A family member or close friend of a great employee may end up being a great employee too. However, as with your own family, employing staff members who are related to one another can possibly result in family issues and tensions inappropriately rearing their heads in the workplace.*

Chances are that if you have, a couple of issues came up. Do you even have any options? Hiring family can be fraught with danger Can you fire a family member without igniting a small war? The first is whether it is wise to work side-by-side with family members in the first place, and the second is whether you should consider hiring family members to do work for you or having them hire you. My experience, and that of many readers I have heard from over the years, is that hiring family is fraught with danger. I recall when I was a young pup in college, I got a speeding ticket and I needed a lawyer yes, I was really speeding. So I hired my cousin Louis. Lou represented me very well. Afterwards, I got his bill, which was, in retrospect, very fair. It eventually got cleared up, but I will say when I practiced law I remembered my youthful mistake, and made it a practice to try and not represent family members when I could avoid it. How to Work With Family Members and Not Go Crazy But that leads us to the second issue, namely, should one work with family, and if so, how do you do so without going crazy? On the positive side of the ledger, one of the best things about working with family and maybe one of the worst too is the familiarity you have with one another. There is a shorthand that you have with family that you do not have with the world at large, and when you get along well with that person, that can really work to your benefit. Working with a family member you like can really be fun. By the same token, family members know your strengths and weaknesses, and that too can come in very handy in the workplace. Especially if you work with a family member who has different strengths than you, then that give and take can save time and hassle, since you have already spent years together. Another great thing about working with family is that you will have someone around whom you can really trust. Not that you cannot trust your regular employees or partners of course, but there is just something about family that kicks that to a higher level. Similarly, your loved one may not show you the respect that you deserve and need in the workplace; they may think that you are still jolly Uncle Joe at work, and not the boss that you are. And that, in turn, can either hurt morale or invite similar disrespect among others in your organization. And, like the question above, what do you do if they do a poor job? Or what if they miss too much work, or call in sick when you know that they are not sick? Of course you will have to take action, and that is where working with family can hurt the family. Family relationships can be challenging to mend after a rift at work. The bottom line is that, unless you have an incredibly good fit, and everyone understands the rules and you have set up some guidelines, working together runs the very real risk of damaging all sorts of family relationships if things go south. And the problem there is that if things do go south, unlike a disgruntled employee who leaves, a disgruntled family member will be around for the long haul.

**Chapter 7 : The Pros and Cons of Hiring Family Members for Your Home Business - calendrierdelascience**

*Enter your mobile number or email address below and we'll send you a link to download the free Kindle App. Then you can start reading Kindle books on your smartphone, tablet, or computer - no Kindle device required.*

Contact Us Tips for Employing Family Members in Your Business Employing family members in your business can conversely be both a tremendous help and sometimes a hindrance. Neither practice is correct, but they are difficult to address once entrenched. David Harland â€” Family Business Advisor There are few topics as contentious in the family business sector as that of whether and how to employ family members. For many business leaders, giving children and relatives a place to work is one of the primary drivers behind owning a family business. Unfortunately, in our experience, blindly hiring family members without thinking carefully about how they fit into the current and future needs of your business frequently leads to family friction as well as problems for the business. There can be many benefits to employing family and many businesses count their employment practices among their strongest competitive advantages. Family members are more likely to be truly committed to the success of the business; when times get tough, family is more likely to stick together and do what needs to be done to get the business through; children who work in the business can provide a natural succession option when the older generation decides to step away from the business. There are also many ways in which employing family can go wrong. In my experience, holding to the following best practices can help your business thrive while employing family and avoid many of the pitfalls related to family employees. Create clear job descriptions and expectations for each position Developing clear expectations for each role and identifying performance standards will help you bring every member of your firm up to the bar. Understanding exactly what you need from each employee makes it easier to conduct impartial reviews and objectively address any issues with your family and non-family employees. As part of the professionalization of your firm, consider creating career paths for each employee where you map out possible trajectories within the firm and decide on performance objectives together. For non-family employees, this process can help reduce turnover by showing them how they can progress within the firm. It will also help you identify ambitious employees who may be able to take on future leadership roles. Pay all employees market rates One of the best ways to prevent favouritism and promote loyalty among your employees is to establish market-based pay rates for each position in your firm. We generally recommend that family businesses separate ownership interests from employment. This allows profits from the business to be distributed to family members according to ownership shares while keeping work-related pay tied to employment. Establish that a job in the family business is a privilege, not a right Employment in in the business should be considered an opportunity and applications from family members must be evaluated on their merits. Every member of your family is not cut out to work in the family business. Hiring a relative just because of a blood relationship can cause friction with other employees and lead non-family employees to become resentful, potentially affecting productivity or increasing turnover. The most successful multigenerational family businesses nearly all require family members to gain experience outside of the business before taking a position. It gives them the opportunity to prove themselves outside of the family and avoids ossification of the family business by ensuring a steady supply of fresh ideas. Judge family and non-family employees by the same standards of success Setting clear expectations and benchmarking performance will help you keep work evaluations free from bias. If you are concerned about favouritism or maintaining objectivity, I would recommend that you bring in outside experts to evaluate your HR practices and set up a process for unbiased assessments. Ultimately, your business exists to make a profit. As an owner, you need to establish a clear business case for every employee you hire, including family members. Developing professional HR practices and standards for employment or promotion will help you avoid some of the employment pitfalls of hiring family members. Want to learn more about hiring family members for your family business? Contact FINH on 07

**Chapter 8 : The Pros and Cons of Working With Family Members**

*Also, you must be sure your business complies with child labor laws when hiring a family member who's a minor. There are other benefits to hiring a family member.*

## Chapter 9 : Reduce Your Business Taxes by Employing Family Members

*BusinessNewsDaily's Chris Prickett says hiring family to work at your small business has its pros and cons. Cheap labor, unconditional loyalty and built-in familiarity are a few.*