



Dear Jack,

I own a small retail store and would like to use commissions as incentive for my employees to increase their sales. Can you help me understand what my options are to implement this type of reimbursement?

**Sincerely,
Needs More Sales**

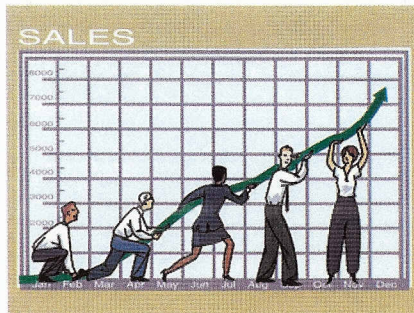
Dear Needs More Sales,

Commission salespeople must receive wages, salary, drawing account, or commissions at such times as

provided in the employment agreement, but they must be paid at least once a month and not later than the last day of the month following the month in which the money is earned. If a salesperson receives monthly payments of wages, salary, drawing account, or commissions that are substantial, additional compensation such as bonuses or "incentive" earnings may be paid at such times as agreed by the employer and salesperson.

You may choose to implement any type of the following compensation methods related to commissions:

- **salary plus commission** where the employee received a commission on all sales in addition to a base salary
- **a quota bonus** where the commission payment is paid on sales over and above a pre-determined sales quota
- **straight commission without advances** where the employee is paid a flat percentage on each dollar sale they make
- **straight commission with "advances," "guarantees," or "draws"** in which the employee is paid a fixed weekly, biweekly, semi-monthly, or monthly "advance," "guarantee," or "draw." At



periodic intervals a settlement is made at which time the payments already made are supplemented by any additional amount by which the commission earnings exceed the amounts previously paid.

It's also important to note that implementing this type of compensation will impact the employees' eligibility for overtime compensation.

Give me a call so we can talk more about which option(s) best meet the needs of your business. ○

Good Luck!

Jack

Northeast HR for Hire

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To submit a question, e-mail SSA Membership Services at membershipservices@ssamembers.com, or write: SSA Membership Services, 300 Main St., PO Box 130, Schoharie, NY 12157. To contact Jack directly, call (518) 355-4556 and be sure to mention you're a member of SSA.

Marketing Quick-Tips

Networking is an important aspect of marketing, especially for small businesses. Your business card is one of the most valuable networking tools because it tells potential customers your name, portrays your style and personality, and offers ways to contact you.

Here are some tips to using your business card effectively.

1. Always carry a supply of cards – you don't want to be caught empty-handed.
2. Seek situations to exchange your card – go to mixers, conventions, and meetings ready to meet new people and hand out your card.
3. Include your business card whenever you send written correspondence.
4. Personalize your card – add your cell phone number or home e-mail.
5. If appropriate, leave your card as a thank you note with your tip at a restaurant.

Always remember what an effective tool your business card can be, and don't leave home without it! ○