

Commissions & Taxes

So you have decided to work the Young Living business and you're ready to get going - how exciting!!! Understanding the compensation plan is much more than knowing how, what and when you get compensated for sharing these great products. Learning the compensation plan before you start growing a downline helps give you direction, helps you to develop a plan to building a residual income, and helps you wrap your mind around what a fantastic business model this is.

This section of "Young Living: Launched" will take some time but it's most definitely worth your effort. So grab a notebook, a pen and your favorite drink because you're about to learn how you earn your "why!"

- ❑ 10 min Compensation Plan Video: <http://bit.ly/YLComp10>
- ❑ A longer (1 hour) and more detailed version of the entire comp plan, terms and definitions, and how to qualify for each rank: <http://bit.ly/YLComp1hr>
- ❑ This is a valuable PDF explaining the compensation plan. We recommend printing this file: <http://bit.ly/YLCompPDF>
- ❑ This video of Jennifer Wade discussing FAQ's and offering tips about the compensation plan is also valuable: <http://bit.ly/LT-UnderstandingCompPlan>

How to Receive a Young Living Paycheck

- The commission period is the 1st-end of the month, so 1 calendar month. You get paid around the 20th of the following month. Commissions are posted in your Virtual Office under "My Account" and then "My Commissions" around the 18th-20th of each month. A check will come in the mail a few days after they are posted. If the amount of the check is less than \$25 you will receive a credit on your account, which can be found on the payment screen of placing a Quick Order. You may use these credits for future orders.
- The Fast Start bonus (25% of your enrollee's first 3 month's orders) and the Start Living bonus (\$25 for enrolling someone with a Premium Starter Kit) can be earned just by placing an order of at least 50 Personal Volume (PV) within the same month of your enrollee's order. (If your order is less than 50PV, you will not earn any money, ever). However, after someone has been signed up under you for 3 months, you will not make any commissions unless you order a minimum of 100PV.
- If someone is interested in building the business, they should spend 100PV on Essential Rewards each month. They will never have to spend more and that will make them eligible for all commissions and bonuses.

- The other reason you would need to spend 100PV is if your downline starts growing you must spend that much to make any money on people more than 2 levels below you.
- You can also wait until the end of the month to see if your downline places orders and then place a standard order at the end of the month in order to get a check for that commissions period.

Strategic Placement

When you start enrolling wholesale members, you begin to grow a downline. There are two ways to grow a downline. One is just by keeping everyone you personally enroll on your “Level 1” and letting your legs build naturally. A “natural build” leads to a very wide downline. The other option is to strategically place people that you enroll in one of your downline member’s legs. Let’s talk about why you would place someone.

Example: You have a few people enrolled under you on your Level 1, we will call them A & B. You want to help A & B grow their downline in order to help them reach a rank but also for you to personally reach a new leadership rank. You can give up your sponsorship of anyone you personally enroll and place your new enrollee in A or B’s downline. Just make sure A & B are spending at least 100 PV per month!!

- ❑ A 25 min. video that explains “Strategic Placement”. <http://bit.ly/StrategicPlacement>

Remember, you have 5 days from the time someone enrolls as a member to call Member Services and request a change. After the 5th day you must email the request to resolutions@youngliving.com. Sample email to request downline changes :

To whom it may concern,

I would like to change the Sponsor and/or Enroller of *Member Name & Member Number* to New Sponsor/Enroller Name & Member Number. I, *Your Member Name & Member Number*, will/will not remain the Enroller.

Warmly,
Your Member Name & Member Number

Tax Information

Please do not alter “Young Living: Launched.” This training is free and may never be used for profit.

The following items can be written off as business expenses. It is important, even if you are just starting out, to track every expense because you never know what will happen in your Young Living business over the course of a year!

Reimbursement from Books, Bulk Buys., Etc

Advertising

Auto Mileage – Total and Total for Business

Bank Charges – You should have a separate bank account for your business. If so, any fees you pay for that account should go here.

Class Materials

Computer and Internet

Contract Labor – You pay someone to teach a class or on a very periodic basis.

Dues and Subscriptions – If you pay any recurring monthly or annual fees for things like work at home magazines, natural health magazines, etc.

First Time Use Oils

Freight – If you want to track the shipping you pay here separately, you can.

Gifts – The deductible is \$25 per person per year.

Health Insurance

Interest expense – If you have a separate credit card just for business and you incur any interest expense, it should go here.

Legal and Professional Fees – Accounting, business coach, lawyers

Meals and Entertainment

Medical Expenses – This applies if you pay your spouse and enroll in the HRA 105 plan

Office Expenses

Payroll Tax

Postage

Professional Development – Classes, books, etc.

Sample Oils

Supplies – Things like bottles or other containers

Team Development – Incentives for your downline

Telephone

Travel

Wages

In addition to these items, for business use of home, you will need the total square footage of your home and the square footage of the space used exclusively for business.

Total utilities paid including gas, electric, water

Home owners insurance

Mortgage interest (Form 1098 should be provided)

Real estate taxes

Mortgage insurance (if applicable)

Pest control

HOA dues

Cleaning

Security

Landscape

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Repairs and Maintenance
Young Living Commission
Other Income
Advertising
Auto
Bank Charges
Class Materials
Computer and Internet
Contract Labor
Dues and Subscriptions
First Time Use Oils
Freight
Gifts
Health Insurance
Interest Expense
Legal and Professional Fees
Meals and Entertainment
Medical
Office Expense
Payroll Tax
Postage
Professional Development
Sample Oils
Supplies
Team Development
Telephone
Travel
Wages
Mortgage Interest
Real Estate Tax
Mortgage Insurance Premium
Home Owners Insurance
Repairs and Maintenance
Utilities
Cleaning
HOA Dues
Landscape
Pest Control
Security

Tip: Have filing system to file receipts into categories each month.

Tax Bot

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Another great option to use is TaxBot. TaxBot makes keeping track of your taxes easier, especially on the go!

Website: <http://taxbot.com>

Cost: \$5.00/month with code

Code: YoungLiving

Quicklink: <https://taxbot.com/s/2ppyl/>

- Video: <http://bit.ly/TaxBotVideoE>
- Tutorial: <http://bit.ly/TaxBotTut>

Facebook Group: Young Living: Taxes and More

<https://www.facebook.com/groups/younglivingtaxes/>