



ESL Podcast 972 – Paying an Employee Under the Table

GLOSSARY

to go over the books – to review financial documents for a business

* When you go over the books, let me know if you see any sudden increase in expenses.

staff – employees; the group of people who work for an organization

* What percentage of your staff has a graduate degree in business?

to be accounted for – to be included, considered, and addressed

* Why weren't any of students accounted for on the first day of school?

under the table – without reporting something to the government, especially when paying someone illegally

* We can save a lot of money if we pay for the home renovation under the table.

to get busted – to get caught by the authorities or the police for one's illegal actions or for breaking the rules

* What will happen if you cheat on the exam and then get busted?

tax evasion – the practice of purposefully not paying some or all of the money one owes to the government

* If you make an innocent mistake on your tax return, can you still be accused of tax evasion?

no one will be the wiser – a phrase meaning that nobody will know what happened and one's actions will remain a secret

* They thought that if they had a big party at their parents' house, they could clean up the mess and no one would be the wiser.

off the books – secretly, with no records or reports made and with nothing written down

* Can we keep this transaction off the books, so nobody ever knows who bought the drugs?

minimum wage – the minimum amount of money that can be paid to someone for each hour of work, established by law

* Increasing the minimum wage would help people who are working two or more jobs just to pay the rent and for food.



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to report (one's) income – to provide information to the government about how much money one has made, so that the government can receive a percentage of that amount in taxes

* Do you have to report your income to the state, or only to the federal government?

to come out ahead – to secure some advantage or profit; to receive a profit after all expenses are paid

* We had pretty good sales, but if we consider all the expenses, we barely came out ahead.

ramification – consequence; something that results from a particular action or decision

* Teenagers often aren't aware of all the ramifications of their actions early in life.

up the creek – in a very difficult, challenging, and uncomfortable situation; with a lot of problems

* When James and his wife lost their jobs in the same week, the family was up the creek.

to turn a blind eye – to pretend something does not exist or has not happened; to ignore something, especially an unpleasant thing

* It's not right to turn a blind eye to people who are starving to death.

on (one's) own – alone; doing something without help, support, or assistance from others

* This is the last time I'm helping you. Next time, you're on your own.

to audit – to examine the financial records of a person or organization and determine whether they are complete, truthful, and in compliance with the law

* People who are self-employed are more likely to be audited than people who work for a company.



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COMPREHENSION QUESTIONS

1. What was Martin doing while he was “going over the books”?
 - a) He was checking the records of the library collections.
 - b) He was reading some of their best publications.
 - c) He was studying the financial records.

2. What does Martin mean when he says, “You could get busted for tax evasion”?
 - a) You could go to jail for not paying taxes.
 - b) You could go broke paying so much in taxes.
 - c) You could request a reduction in the amount of taxes paid.

WHAT ELSE DOES IT MEAN?

to be accounted for

The phrase “to be accounted for,” in this podcast, means to be included, considered, and addressed: “Don’t forget to account for inflation when you’re determining how much retirement income you’ll need.” When talking about people or resources, the phrase “accounted for” means knowing where someone or something is: “It took several weeks for government officials to account for all the men, women, and children who were injured or killed by the tsunami.” The phrase “to account for (something)” means to form part of something or to be included in something: “Females account for just 15% of the engineering students at this university.” Finally, “to account for” can mean to explain something: “The lawyers are arguing that temporary insanity could have accounted for his illegal actions that night.”

to come out ahead

In this podcast, the phrase “to come out ahead” means to secure some advantage or profit, or to receive a profit after all expenses are paid: “We should come out ahead if we get at least 300 people to pay the registration fee for the conference.” The phrase “ahead of the game” means doing better than others and/or having control over something: “We’ve had a few setbacks, but we’re still ahead of the game and our competitors are trying to figure out how they can catch up.” Finally, the phrase “to go ahead with (something)” means to do something, especially if there has been some problem or delay: “They just found out Mariah has a serious illness, but they’ve decided to go ahead with the wedding anyway.”



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CULTURE NOTE

Nannygate

Hiring a “nanny” (a person, usually a young woman, who provides regular childcare inside a family’s home, usually while the parents are working) is “out of the reach of” (too expensive for) most Americans, but many “wealthy” (rich; with a lot of money) families have nannies and other “domestic workers” (people who perform services in and around a home), such as cooks, housecleaners, “chauffeurs” (drivers), and gardeners. Technically, these domestic workers are employees, so the employer must report the payments to the government and pay a portion of the workers’ taxes. However, this reporting is time-consuming and expensive, so some families choose to pay those workers “under the table” (illegally and in a hidden way, without informing the government).

For many years, the practice of paying domestic workers under the table was “commonplace” (common; not unusual) among wealthy families, but that changed in 1993 with “Nannygate” (named after Watergate, a political scandal discussed in English Café 280). Two of then-President Bill Clinton’s choices for United States Attorney General were attacked for having paid nannies under the table, and the situation was made worse by the fact that their domestic workers were “undocumented workers” (illegal aliens; people working in the United States without permission to do so).

Members of the U.S. Congress were “outraged” (very angry) that this illegal action was so widespread, and the public was upset to learn that very “affluent” (wealthy), professional families were “getting away with” (having some advantage illegally without getting in trouble) receiving domestic help without paying taxes on it. The two individuals “in question” (in this case) were not chosen for the position, and “nominees” (people who have been named for a position but has not been approved yet) for that and other jobs had to “undergo” (experience) investigations into their hiring of “household help” (domestic workers).

Comprehension Questions Correct Answers: 1 – c; 2 – a



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COMPLETE TRANSCRIPT

Welcome to English as a Second Language Podcast number 972 – Paying an Employee Under the Table.

This is English as a Second Language Podcast episode 972. I'm your host, Dr. Jeff McQuillan, coming to you from the Center for Educational Development in beautiful Los Angeles, California.

Our website is ESLPod.com. Go there and take a look at our ESL Podcast Store, which has some additional courses in business and daily English. You can also download a Learning Guide for this episode by becoming a member of ESL Podcast.

This episode is a dialogue between Martin and Jina about working at a business illegally, or without paying your taxes. Let's get started.

[start of dialogue]

Martin: I'm confused. I've been going over the books and I don't see several members of the staff listed and accounted for.

Jina: Oh, I have a special arrangement with a few of them. I pay them under the table.

Martin: Are you sure that's wise? You could get busted for tax evasion.

Jina: No one will be the wiser if I pay a few people off the books. All of the people I hire want a job, and a few of them I pay under the minimum wage. Since they don't have to report their income, they come out ahead in the end. So what's the problem?

Martin: I just want to make sure you're aware of the ramifications. If the government finds out about it, you could be up the creek.

Jina: I'm not worried. Everybody does it.

Martin: If you say so. I'm willing to turn a blind eye, but you're on your own if you get audited!

[end of dialogue]



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Our dialogue begins with Martin saying, “I’m confused. I’ve been going over the books and I don’t see several members of the staff listed and accounted for.” The expression “going over the books” refers to looking at the financial documents of a business, the sort of thing an accountant would do. The “books” refers here not to a set of books that you would read for pleasure, but rather a list of all the things that your business has bought and sold, in such a way that you can see whether you are making money or not.

Martin is “going over the books” – the financial records of the business – but he doesn’t see several members of the staff listed in the books. That is, he doesn’t see their names and the amount of money that is being paid to them. “Staff” (staff) here just refers to a group of employees. “To be accounted for” means to be included, to be considered, or sometimes simply to know where someone is or to know information about a certain person. Martin doesn’t have the information about these members of the staff, these employees, in the financial records of the business.

Jina says, “Oh, I have a special arrangement with a few of them.” A “special arrangement” would be a special agreement, in this case. She says, “I pay them under the table.” “To pay someone under the table” means not to tell the government about how much you are paying a person. This, of course, is normally considered illegal. It’s against the law to pay an employee without telling the government. Why? Because the government wants its money in the form of taxes. You have to pay taxes when you have an employee, which means you have to tell the government that you have an employee.

“To pay someone under the table” would mean that you’re not telling the government. Martin says, “Are you sure that’s wise?” meaning do you really think that’s a good idea? “You could get busted for tax evasion.” “To get busted” (busted) is to get caught by the authorities – or in this case, by the government – for doing something illegal. If the police arrest you for drinking and driving, you would get “busted.” We could say, “You got busted” – you got arrested, you got caught, you got found out. You can also use this in a school, for example. If a student is doing something wrong and the teacher finds out, we could say that student got “busted.” The teacher would punish the student.

In our dialogue, Martin is worried about Jina getting busted for tax evasion. “Evasion” (evasion) is avoiding something, not doing something. “Tax evasion” would be not paying your taxes, and the government doesn’t like that at all. Jina is not worried, however. She says, “No one will be the wiser if I pay a few people off the books.” The expression “No one will be the wiser” (wiser) means nobody



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will know what has happened, and it will remain a secret. “No one will be the wiser” means no one will find out.

“Off the books” is similar to “under the table.” Remember, the “books” in this case refers to the financial records of a business. “Off the books” would be things that are not included in your financial records. Again, this is usually considered illegal, and the government is not happy if it finds out that you are not recording all of the business transactions for your business. So unhappy they could come and make you pay a lot of money or make you spend some time in a government hotel, which is also called a “jail.”

Jina says, “All of the people I hire want a job, and a few of them I pay under the minimum wage.” The “minimum (minimum) wage (wage)” is the lowest amount, or the minimum amount, that you can pay someone each hour for working. The government says you cannot pay someone less than a certain amount every hour. This minimum wage is established by the national, or federal, government. Although individual states often have their own minimum wages, which are sometimes higher than the federal minimum wage, Jina is paying some of the employees less than the minimum wage, which is definitely illegal.

She says, however, that “since they don't have to report their income, they come out ahead in the end.” “To report your income” means to tell the government how much money you are making. “Income” (income) refers to the amount of money that you get from working. You have to report your income so the government can determine if you need to pay taxes or not. In the United States, if you don't make very much money, you still have to report your income, but the government doesn't make you pay very much in taxes. In fact, in many cases, it doesn't make you pay any income taxes.

There are other special taxes that you still have to pay even if you don't make very much money, but the most important, the largest tax that you pay is typically called your “income tax.” If you don't make very much money, the government may collect the money from you during the year, but then it will send it back to you after you report your income on what are called your “tax returns.” But we're getting off our topic a little bit here. Let's go back to the dialogue.

Jina says that the employees “don't have to report their income, so they come out ahead.” “To come out ahead” is an expression that means to gain some sort of benefit. Specifically, it refers to a situation where you are receiving money, but you're also needing to pay someone money for some expense that you have. “To come out ahead” would be to bring in more money than you have to pay out, so your income, we could say, is greater than your expenses.



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Another word for this simply is “profit” (profit). If you are making a profit – if you are bringing in more money than you are paying out in your business – you are coming out ahead. The term can be used more generally to refer to someone who benefits from a certain situation, even if it isn't financial. Here, it is financial, and Jina says the employees that she is paying off the books come out ahead. “What's the problem?” she asks. Martin says, “I just want to make sure that you are aware of the ramifications.” “Ramifications” (ramifications) are the consequences – things that result from a certain action or decision.

Martin says, “If the government finds out about it, you could be up the creek.” This expression, “to be up the creek” (creek), means to be in a very difficult situation, to have a lot of problems. It comes in part from an expression, “to be up a creek without a paddle” (paddle). A “creek” is a small river. A “paddle” is something that you use. Usually, it's made of wood that is long and is flat and is put in the water to help you move your boat in the water. “To be up a creek without a paddle” is to be in a situation where you can't get back to where you need to be, and that's why it is used to express this idea of having problems, having difficulties.

Jina says, “I'm not worried. Everybody does it.” This, of course, is what most people use as their excuse for doing something wrong: “Well, everybody does it.” Martin says, “If you say so,” meaning I don't necessarily believe you, but if you say it's true, then I'm not going to argue with you. “I'm willing to turn a blind eye, but you're on your own if you get audited.” “To turn a blind eye” means to pretend that you don't see something – to pretend that something didn't happen or that you didn't see it happen. “To be blind” (blind) means to be unable to see. “To turn a blind eye” on something means to ignore something, especially something unpleasant or something that perhaps you could get in trouble for.

Martin says to Jina, “You're on your own if you get audited.” “To be on your own” means to be alone – in this case, it means to have to do something without anyone helping you. Martin is not going to help Jina if she gets audited. “To audit” (audit) means to examine the financial records of a person or a business to make sure that they are correct. “To audit” means to make sure that the person or organization is following the law.

To get audited by the government is usually not a good thing. It means you have to show that all of your financial records are complete. So, you have to be very careful about keeping good financial records for your business.

Now let's listen to the dialogue, this time at a normal speed.



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[end of dialogue]

You're not on your own when it comes to learning English. You have the help of our wonderful scriptwriter, Dr. Lucy Tse. Thank you, Lucy.

From Los Angeles, California, I'm Jeff McQuillan. Thank you for listening. Come back and listen to us again right here on ESL Podcast.

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