

JANUARY 2016

SMACNA Mid-Atlantic Chapter *Connections*

The Sheet Metal and Air Conditioning Contractors' Association

www.smacnaatl.org

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Trust Fund Briefing

Tuesday, January 26,
2016

10 – 11:30 a.m.

SMACNA Mid-Atlantic
Chapter Conference
Room

Presenter:
Scott Gregory

Contractors working
under the DC
agreement will be
updated on the status
of the various funds.

**Free and open to
SMACNA Mid-Atlantic
Chapter Contractors.**

Registration Required

ACE Meets with Maryland Senator Pugh

Last month members of the Alliance for Construction Excellence (ACE) met in Annapolis with Maryland State Senator Catherine Pugh of Baltimore City. Pugh has been a strong proponent of state mandated employer paid Family Medical Leave (Sick & Safe) legislation for many years.

The purpose of the meeting was to inform the senator of ACE's recent meeting with the Jobs Opportunity Task Force (JOTC) which is a coalition behind the efforts to see mandatory paid sick leave legislation passed in the state.

ACE has opposed this matter for three years for a variety of reasons including the administrative complexities, mobility of the workforce from job to job and employer to employer, and interference with the collective bargaining process.

Representing ACE was Steve Weissenberger and Shannon Shagoury, MCA Maryland; Andy Porter, NECA Washington; and Bernie Brill, SMACNA Mid-Atlantic.

Senator Pugh asked ACE for additional information regarding other states and jurisdictions that have imposed Sick & Safe legislation.

SMACNA Mid-Atlantic Meets with Union Leadership

On December 14th members of the SMACNA Mid-Atlantic Chapter's Labor Committee met with key International and Local 100 union leaders to discuss strategies for increasing market share and increasing employment opportunities for union contractors and workers.

Representing SMART (Sheet Metal and Railway Transportation Union) were Joe Powell and Charlie Mulcahy; SMART Local 100 was represented by John Shields, Jr. and Riche LaBille; President Stan Fleischer along with Mike Miller, Rick Freeman, Frank Battaglini, and Bernie Brill represented the chapter; and Deb Wyandt and Jason Watson were there from SMACNA National.

SMACNA Mid-Atlantic and Local 100 continued discussing developing a comprehensive light commercial/service agreement that would allow contractors to be competitive on specific types of work. However, no agreement was reached.



Educational Seminar

February 11, 2016

8 – 10 a.m.

SMACNA Mid-Atlantic Chapter Conference Room

Topic: Ignorance is not Bliss: Contract Provisions You Need to Know

Speaker: Construction Attorney Ed Seglias

Registration is \$25 per person; \$15 for each additional person from same company.

Space is limited and on a first-come, first-served basis

For more information please call 301/446-0002 x 100



Fair and “Balanced”

Stan Fleischer
Chapter President
Seneca Balance of Maryland, Inc.

Happy New Year!

Welcome to 2016 which will no doubt be a year full of new challenges and opportunities. Recharge, redesign, and reimagine the future of your business by attending our educational seminars and getting more involved.

For whatever reason, business seems to be a popular target for new taxes and fees. Recently the District of Columbia introduced a new extended family medical leave bill that would provide all District residents and those employed in the District up to 16 weeks of paid leave. This would be paid out of fund paid for by those doing business in the city. It is projected that a one percent wage tax would be added to create this new fund.

ACE (Alliance for Construction Excellence) is working to defeat this measure or gain an exemption for construction. Thank you ACE!

Mandated paid sick leave will be introduced again this year in Annapolis and ACE is already at work protecting our interests. They have met with the proponents of the bill as well as Maryland Senator Pugh (who will sponsor the bill) to explain the complexities of our business and why this is not a good fit. Imagine the additional costs if companies were forced to provide this benefit!

Of course, we have very strong and well thought out arguments, but will our lawmakers hear us? And of course, will the governor sign it?

You may also be aware of ACE opposing the one percent tax on companies doing work for the DC Government. While the bill was vague and poorly written, if it passes it would be another cost to our contractors working on projects such as schools, DC government office buildings, stadiums, and so forth. Due to ACE’s opposition, along with others, this bill seems to be stalled and headed for the exit. Thank you ACE!

Predictive Scheduling is proposed legislation for all DC workers as result of families needing time to reschedule day care and other family services when work schedules are altered. This bill, if passed, would require businesses to give a minimum of two weeks’ notice in advance of schedule changes or face stiff financial penalties. Originally intended for those working in retail stores and hospitals, this spilled over to all businesses. ACE voiced its opposition to the bill and the need to have flexibility in servicing customers and meeting deadlines.

These are all critical and potentially costly issues for many of us. If you have an interest in any or all of this, please contact our office. Members are needed to step-up and tell their stories on how they would be adversely affected if any of these proposals became law. Until then, thank you ACE and Happy New Year to all!

Join Fellow Contractors Punta Cana



Members of the Northeast States Sheet Metal Coalition are invited to join the Southwest Sheet Metal Coalition and SMACNA of Iowa for the April 8-9 spring meeting. Below are the links that you will need for Punta Cana.

The first step is to book a hotel room, book your travel and excursions, and then book your transfers from the airport to the hotel. It is strongly suggested that you do not rent a car!

Please book your hotel rooms immediately. It is likely the room block will sell out quickly due to the Spring Break schedule.

Finally, the room block was made with the intention of allowing members to get the rate three days prior and three days following the meeting if you wish to extend your stay. If you need assistance, please contact Karen Kovac, the group travel planner, at (724) 986-6739. Her company is called “You’ve Arrived Star Treatment Travel.” She will do her best to take care of all your travel needs.

If you have questions about the program in Punta Cana, or anything else, please reach out to Bill Reardon from the SMACNA Philadelphia Chapter as his group is chairing the NE States. Here are the links for reservations, airport shuttle, and optional tours and activities:

<http://meetings.melia.com/en/SMACNA2016.html>

<https://www.amstardmc.com/smacna/tours.html>

<https://www.amstardmc.com/smacna/transfers.html>



Welcome New Members



SMACNA Mid-Atlantic welcomes **Advance Cutting System** as an associate member. The company specializes in the sale and manufacturing of machinery for the sheet metal industry. Led by President Ken Shannon, Jr. and Vice President Tony Smith, the firm offers CNC Plasma Cutting Machines, CNC Waterjet Cutting Machines, CNC retrofits for CNC Cutting Machines,

HVAC CAM & CAD Software, Coil Lines and Plasma Coil Feeds along with all free standing sheet metal working machinery, shears, brakes, and roll formers. For more information please contact National Sales Manager Clint Ray at 205/985-8801 or go to www.advancecutting.com.

Also joining the group is **Federated Insurance** which is a direct writer of property and casualty insurance products headquartered in Owatonna, Minnesota. The Company has approximately 2400 employees and operates in 48 states and the District of Columbia, with a regional office in Phoenix, Arizona, and several service offices located throughout the country. Our key contact t Federated is Austin Bond who may be contacted at 913/980-8790; email at eabond@fedins.com; or www.federatedinsurance.com.



(continued on page 4)

SMACNA Mid-Atlantic is delighted to welcome the law firm of **Cohen, Seglias, Pallas**. Over the past twenty-five years, Cohen Seglias has grown from a three-attorney construction practice to a Firm of sixty attorneys serving more than one thousand clients annually. With offices across the Mid-Atlantic region, (including Baltimore and Washington, D.C.) the firm represents clients nationally in a variety of industries ranging from construction, development, and real estate to manufacturing, transportation, technology, hospitality, and professional services. The firm is headed by Roy Cohen, rcohen@cohenseglias.com; and Ed Seglias, eseglias@cohenseglias.com.

PACE Presents Opportunities for Contractors to Turn Proposals into Funded Projects

PACE Financing Now Available in Anne Arundel County

On November 12, 2015, Anne Arundel County kicked off its commercial PACE program, making it the first county to implement a program since the passage of Maryland's PACE-enabling statute in May 2014. Property Assessed Clean Energy or PACE financing provides building owners with funding for clean energy upgrades and will help contractors and developers complete more projects.

Financial concerns derail 80% of clean energy upgrades. PACE allows building owners to finance qualifying energy efficiency and clean energy improvements through a voluntary assessment on their property tax bill. Projects can be 100% financed with \$0 down payment. Most projects are cash-flow positive from day one, and terms can extend to up to 20 years. Building owners like that PACE obligations are transferable upon sale of the property, and many treat PACE financing as off-balance sheet.

The Anne Arundel Program will be administered by PACE Financial Servicing, a private company that provides turnkey administrative services to PACE districts including policy support, project approval, contractor training, and collections and servicing.

While Anne Arundel County is the first to go live with PACE, other counties are close behind. PACE is a no-cost tool for counties to attract and retain businesses – all while creating jobs and reducing greenhouse gases and other pollutants. To assist counties who

want to use PACE, the Maryland Clean Energy Center has started a no-cost, standardized state-wide PACE program (also administered by PACE Financial Servicing). To learn more or to enable PACE in your county, please contact cbell@paceservicing.com.

PACE is also a valuable tool for contractors looking to land more projects. Greenworks Lending, a PACE financing company, is actively partnering with clean energy contractors throughout Maryland. Greenworks helps contractors connect with interested building owners, supports PACE financing conversations between owners and contractors, provides tools for explaining the value of PACE, and trains contractor sales teams. For more information about how PACE financing can help you "get to yes" on projects, please contact Andrew Zech at azech@greenworkslending.com.

Dues Reminder—

**SMACNA Annual Dues is due
and payable no later than
January 31, 2016.**

Thank you!

ACA Requires Large Employers to File Additional 2015 Returns

For the first time, when Applicable Large Employers (ALE) file their tax returns for 2015, they will need to file additional information returns required under the Affordable Care Act.

Along with these information returns, these employers will need to provide statements to their full-time employees about the health insurance coverage they offered to them as required under the Affordable Care Act. Because this is the first time employers will have to do this reporting, many employers, and their accountants, are unsure how to complete these forms.



The forms are particularly challenging for employers who contribute to multiemployer health

and welfare plans for their bargaining unit employees. How would an employer know whether or not a recently hired employee had enough hours for coverage through the plan during the month of their hire?

The IRS recently issued guidance that clarifies how this reporting should be done for employers contributing to multiemployer plans. This will be covered in this step-by-step review of the forms. The instructions that follow pertain to the reporting that an employer must complete for employees on whose behalf the employer contributes to a multiemployer health and welfare plan.

First, are you an Applicable Large Employer (ALE)?

The reporting requirements apply only to ALEs, defined in the Internal Revenue Code as an employer that employed **on average at least 50 full-time employees**, including full-time equivalents, on business days during the preceding calendar year.

A full-time employee is defined as an employee employed on average at least 30

hours of service per week, or 130 hours per month is the monthly equivalency. The number of full-time equivalents for a given month is determined by aggregating the hours of all non-full-time employees, and dividing that by 120; this resulting fraction is the number of full-time equivalents for a given month.

The total of each month (full-time employees + full-time equivalents) should be averaged across the year. If the number is above 50, the employer is an ALE and subject to the reporting requirements; if below, the employer is not an ALE and does not need to report.

Importantly, entities that have a common owner or are otherwise related generally are combined for tax purposes. For purposes of determining their status as an ALE, all entities under common control would be aggregated. If the combined total exceeds 50, all separate entities, even those that standing alone have less than 50 employees, are subject to the reporting requirements.

Second, gather information from the plan(s) under which your employees are covered.

1. Does the plan provide minimum essential coverage?
2. Does the plan provide minimum value?
3. Does the plan offer dependent coverage?
4. Does the cost of coverage satisfy the affordability requirements?

Having all this information will save you considerable time and, provided the answers to these questions are "yes," will allow you to input a few simple codes instead of exhaustive information.

Many plans are, or will be, sending a communication to contributing employers advising them that the plan satisfies this criteria, but consider contacting your plan(s) administrator(s) in order to verify.

These items are described briefly:

- Minimum essential coverage—Any insurance offered by an employer qualifies as minimum essential coverage.
- Minimum value—The plan must pay for at least 60 percent of medical expenses on average for a standard population. This is an actuarial calculation, and most multiemployer plans well exceed 60 percent.
- Dependent coverage—The plan must make coverage available to dependents until a child reaches the age of 26; the ACA requires plans to offer this.
- Affordability—This refers to whether the required employee contribution towards the lowest cost, self-only coverage is less than 9.56 percent of wages. In many plans the employees pay nothing, the coverage is paid for through employer contributions and no additional premiums are required from employees.

Third, complete the forms.

ALEs will use Form 1094-C and Form 1095-C. Form 1094-C is used to report summary information for each employer and transmit Forms 1095-C to the IRS.

Form 1095-C is the more detailed form used to report information about each employee.

Part I (Employee information and Employer information) is self-explanatory.

Part II (Employee Offer and Coverage) requires more attention. For employers who contribute to plans that satisfy all of the criteria, they will enter Code 1H on Line 14 (“no offer of coverage”) and 2E on Line 16 (“multiemployer interim rule relief”). No code is required for Line 15.

Again, these specific instructions apply to the reporting that must be done for employees on whose behalf the employer contributes to a multiemployer health and welfare plan; different codes will apply for employees who are covered under a plan other than a multiemployer one.

Part III is only completed by employers who offer employer-sponsored self-insured

coverage, not multiemployer plan coverage; therefore this section does not need to be completed on behalf of the bargaining unit employees who are covered by a multiemployer health and welfare plan.

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FOR MORE INFORMATION, PLEASE CONTACT DANA THOMPSON AT 202/547-8202

Fourth, file the forms and provide to employees.

Employers must complete and file a Form 1095-C for each employee who was a full-time employee of the employer for any month of the calendar year. Employers are also required to furnish a copy to all employees.

For employers required to file 250 or more Form 1095-Cs, they must file electronically by March 31, 2016; for those filing on paper, by Feb. 28, 2016. The forms must be provided to employees by Feb. 1, 2016.