Construction Execs Crowd into Trade Show

Washington area construction executives jammed into the Bethesda Marriott to view exhibits, visit with industry colleagues, and enjoy some good food! Sponsored by Mechanical Contractors Association of Washington (MCAW), the National Capital Chapter of ASHRAE, and SMACNA Mid-Atlantic Chapter, some 300 people attended this year’s annual event November 14th.

With nearly 30 exhibitors proudly showing their products, many of the companies were SMACNA Mid-Atlantic Chapter Associate Members including HavTech, Milwaukee Tool, S.J. Rafferty, United Energy Products, and H&B Products.

The SMACNA Mid-Atlantic Chapter along with Stromberg Metal Works had display booths as well. Stromberg was featuring their architectural sheet metal division while the chapter distributed its new Membership Directory and Buyers’ Guide.

According to SMACNA Mid-Atlantic Chapter’s Executive Director Bernie Brill, “It was great seeing so many people and their enthusiasm for construction. Many attendees came by our booth asking for a copy of the chapter’s new membership directory.”

Throughout the evening there was a strong undercurrent of optimism that the construction environment was improving and people were excited about the prospects for 2014.

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Industry Night on Terrace was such a success last October, plans are in the works for the event to take place this year on Thursday, September 18 from 5:30 to 8:30 p.m. at MCA Baltimore. Hold this date as space is limited!
Frankly Speaking
Frank Battaglino
Chapter President
President of Metro Test & Balance

It has been three years since our Board of Directors gave their approval to our association’s Long Range Plan. Quite “frankly” it has been awhile since I have reviewed it. Not surprisingly, much has changed since it was crafted and we will be appointing an ad hoc committee to review it and come back to the Board with recommendations and updates.

One thing that doesn’t change is our number top priority which is education and training. During the last three years we have been challenged like never before. In fact, those of us in construction know the economy is worse now than it was during the Depression!

In March Kevin Dougherty will be in our office conducting a special seminar to help contractors develop new strategies designed to help turn things around. If you are tired of doing the same things the same way, and getting the same results, now is a time to bring home some new ideas and real solutions.

Sometimes getting away from the office, the phones, and the interruptions allows one to focus on the core needs of the business. Not only will you take back many proven and time tested ideas, but at this session you will learn how to empower your people to take care of customer issues.

Another priority for 2014 is the maintaining and regaining market share. Nothing is more important to the long term health and well-being of our industry. We can no longer be tied to only one or two markets. It is imperative that industry members compete on residential, light commercial, and service.

As you read this column, our Chapter is working diligently on programs to showcase our industry. On January 8 we will be in Richmond, Virginia doing a three-hour Fire Life Safety Seminar for local ASHRAE Members. On April 3 we will be doing a similar program for ASHRAE Baltimore.

These are opportunities for us, as an industry group, to gain visibility and credibility by putting on display our superior skills and knowledge. Or put another way, the value of using SMACNA Contractors.

In closing, I extend a hearty Happy New Year to all our members and friends. We have a busy year ahead and by working together it may be the best ever!
Chemical Exposure Resources

On October 24, 2013, OSHA launched two new web resources concerning chemical safety that may be of interest to SMACNA members.

OSHA has released a toolkit for chemical management that employers and employees can use to find substitute (non-hazardous) chemicals and processes to remove or reduce hazardous chemicals in the workplace. Here is a link to the new OSHA toolkit: https://www.osha.gov/dsg/safer_chemicals/index.html.

Secondly, OSHA has published an annotated table of Permissible Exposure Limits (PELs) for hazardous chemicals. In addition to OSHA’s current PELs for hazardous chemicals, the new annotated table also lists the California Division of Occupational Safety and Health (Cal/OSHA) Permissible Exposure Limits (PELs), National Institute for Occupational Safety and Health (NIOSH) Recommended Exposure Limits (RELs), and the ACGIH® Threshold Limit Values (TLVs®) and Biological Exposure Indices (BEIs®). Here is a link to OSHA’s new annotated table of PELs: https://www.osha.gov/dsg/annotated-pels/index.html).

• Webinar to Meet the Requirements (show it to your workers) - http://smacna.peachnewmedia.com/store/seminar/seminar.php?seminar=15008

• Basic PowerPoint for Competent Persons (able to provide the training) - http://www.smacna.org/pdf/safety/2013_HAZCOM_GHS.pptx

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SMACNA Urges Federal Law Reform To Crack Down On “Epidemic” Of Payroll Fraud, Misclassification

The Sheet Metal and Air Conditioning Contractors’ National Association (SMACNA), along with other industry-related associations, recently urged Congress to take strong action on behalf of taxpayers and legally compliant employers who are at a competitive disadvantage with employers who commit payroll fraud and evade tax and employment law by misclassifying their employees.

Legitimate contractors and independent contractors play a vital role in our economy, but too many are able to game the system and evade labor, employment, and tax laws by taking advantage of the many independent contractor classification loopholes in current law.

SMACNA and the Campaign for Quality Construction (CQC) urged long overdue reform of the law and greater enforcement in a statement submitted to the Subcommittee on Employment and Workplace Safety, U.S. Senate Committee on Health, Education, Labor and Pensions, during a hearing on “Payroll Fraud: Targeting Bad Actors Hurting Workers and Businesses” on Nov. 12th.

SMACNA urged that federal laws and policies be reformed to favor law-abiding companies. Stronger employment and tax laws at the state and federal level with more effective enforcement should be enacted to eliminate the current competitive advantages for those who abuse the system to profit at the expense of their competitors, the government, the taxpayer, and workers.

SMACNA emphasized that employee misclassification schemes in construction have nothing to do with career enhancement or individual entrepreneurship, but rather has everything to do with unfair low-wage competition and tax avoidance.

SMACNA has supported legislation in successive Congresses to deal with the issue
and recommends the following changes to IRS and employment law:

- Amend or eliminate Section 530 safe harbor provisions of the IRS code to create a new statutory standard with more realistic standards for deeming a worker to be a non-employee and to end the moratorium on allowing the IRS to close loopholes and provide guidance.
- Eliminate the ability of employers to rely on industry practice as a basis for claiming safe harbor. It defies common sense to say that if enough employers in an industry cheat, it should be deemed legitimate.
- Allow IRS to prospectively reclassify workers while guaranteeing no retroactive assessments would be allowed.
- Allow IRS to issue regulations or revenue rulings on employee/independent contractor status.
- Create administrative procedures to allow workers to petition Treasury for a determination of employment status.
- Prohibit employer retaliation against an individual petitioning for review of employment status.
- Narrow the circumstances under which the Secretary of Treasury may reduce the penalties for failure to deduct and withhold income taxes or the employee’s share of FICA taxes.
- Require affirmative notifications by those who contract with independent contractors including written statements to each independent contractor of their federal tax obligations and the loss of labor and employment protections, and their right to seek a status determination from the IRS. Failure to comply in a timely manner would be subject to penalties.
- Require annual reports from the Secretary of Treasury and the Secretary of Labor on worker classification schemes and to identify and track complaints and enforcement actions.
- Maintain the current list of employee “exclusions” to assure true independent contractors are not adversely affected by new legislation.

As the problem grows in construction and other industries, it is time for Congress to join states and take action to eliminate loopholes and schemes that currently enable firms to use a business model that eliminates the employer-employee relationship. Without action, responsible firms will be priced out of the marketplace. SMACNA urges the legislators to consider these sorely needed reforms.

The Campaign for Quality Construction (CQC) is an employer-based construction coalition representing approximately 27,000 employers. It is comprised of the six leading specialty contracting firms in the nation and include the Finishing Contractors Association International (FCA), the International Council of Employers of Bricklayers and Allied Craftworkers (ICE), the Mechanical Contractors Association of America (MCAA), the National Electrical Contractors Association (NECA), the Sheet Metal and Air Conditioning Contractors’ National Association (SMACNA), and The Association of Union Constructors (TAUC).

These groups represent more than 25% of the total building construction industry volume in this country and employ approximately 500,000 skilled workers. Specialty contractors hold a market share of more than 60% of non-residential building construction. The members employ highly trained and highly skilled workers who are well compensated in wages, health, and pension benefits—core components of a strong and sustainable workforce.