



The Association For  
Automotive Aftermarket  
Professionals

NEW YORK STATE AUTOMOTIVE AFTERMARKET ASSOCIATION

# NEWSLETTER

*Serving the Automotive Aftermarket Since 1949*

January 2020

*Did you get a raise this year?*

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Most likely you didn't, unless you make the minimum wage. The minimum wage earners for the third year in a row received anywhere from a 7% to a 12% raise depending on what part of the state they are located in. I know in my small parts business, this continues to be an annual burden as I am sure it is for many of you.

While changing their pay rate the other day, I spent a little time performing some calculations. I haven't cut hours for my minimum wage earners since this minimum wage increase schedule went into effect three years ago. Therefore, by maintaining their same work schedule, my minimum wage earners are now making \$586.00 a month more than they were just three years ago.

While I am fortunate to have good dependable employees, the minimum wage earners are doing nothing more than they were doing three years ago. Had I given these raises without a state mandate, I would be a hero in their eyes. However, with this being mandated by the state, the state appears to be the hero in their eyes.

In doing my payroll adjustments, I began to notice how much closer the pay for these minimum wage earners is getting to some of my higher paid employees. I call this phase two of the minimum wage mandate. These higher paid employees have been with me many more years, have developed valuable skills and take on much more responsibility. They also help drive the sales numbers.

Since the state and media make sure everyone is aware of these minimum wages increases, these higher paid employees can quickly do some calculations and know exactly how much these minimum wage employees are making. With the effects of the minimum wage, none of my more valuable employees have seen a pay raise the past three years.

I know that I am going to have to raise the wages for all of the rest of my employees as well. That combined with the minimum wage mandate is going to cause my payroll to just explode. In order to offset some of this, I have no choice but to cut off all overtime and make significant cuts in the hours worked by my minimum wage employees. Again, I will look like the bad guy and the state will look like the good guy.

I can already start to see the effects of this mandate not only now but in the future. My accountant specializes in small businesses. She recently told me that almost all of her small business accounts have told her that when the minimum wage reaches \$15.00 an hour, and maybe even before that, they will have to close their doors. They have crunched the numbers and told her that there is absolutely nothing they can do to offset this and stay in business.

In turn this is going to have a domino effect in so many areas. My accountant is a prime example of that. She told me that if all those small business go out, that she will have no choice but to retire. She is old enough and financially sound enough to retire but she loves what she does and would prefer to keep working.

The worst part is that this entire minimum wage mandate seems to be more politically driven than anything else. Our governor and many other politicians have claimed that you can't live on the minimum wage prior to three years ago. However, in my opinion, they have failed to look at many situations where this is quite possible. Most households nowadays have two incomes and thus not living in total on one income which could be at the old minimum wage.

High school and college students are not trying to support families by working part time minimum wage jobs. Neither are many seniors who have gone back to work part time to supplement their social security.

[www.nysaaa.com](http://www.nysaaa.com)

Speaking of social security, the average annual social security benefit in 2019 was \$17,748.00, increasing to \$18,036.00 in 2020.

Social Security recipients received a 2.8% cost of living increase in 2019 and will only get a 1.6% increase in 2020. That's a far cry lower than the 7% to 12% increase that minimum wage earners will receive this year. At \$15.00 an hour, the minimum wage earner will earn \$31,200.00 a year. If the state says you can't live on less than \$31,200.00 a year, then how are senior citizens supposed to live on \$18,036.00?

I guess it is because the government has to pay the social security while the government can force the employers to pay for their minimum wage mandate. They certainly are good at spending business owners' money. In addition to the payroll increase, business owners cost for workers compensation and the matching of employees FICA contributions are rising as fast as those hourly wages.

I hope you will be able to offset these minimum wage increases and all that is effected by this. I know many of our members have reached or are approaching the age when most people retire. I hope this won't force anyone to sell out or close and retire. One should be able to retire when they are ready, under their terms and not forced out of business by the state and their politically fueled mandates.

I want to take this opportunity to thank all members for their support in 2019. We hope in 2020 to keep the Association at the high level of member benefits and services that we have always strived to provide in the past. We hope that 2020 will be a healthy and prosperous year for you.

In closing, our staff took pay cuts in 2019 in order to make the budget numbers work. In addition, the Board of Directors who work for you with no compensation, cover their expenses that they incur in attending board meetings. We do it because we know how valuable the Association is to our members and how valuable the members are to our Association.

*By: Fred Forsythe Managing Director and Small Business Owner*

## \$15.00 per hour Minimum Wage for New York State

As part of the 2016-17 State Budget, Governor Cuomo signed legislation enacting a statewide \$15.00 minimum wage plan that will lift the earnings of more than 2.1 million New Yorkers, in all industries across the state.

For workers in New York City employed by large employers (those with 11 or more employees) the minimum wage will remain at \$15.00 per hour.

For workers in New York City employed by small employers (those with 10 or less employees) the minimum wage will increase by \$1.50 to \$15.00 per hour effective on 12/31/2019.

For workers in Nassau, Suffolk and Westchester counties, the minimum wage will increase by \$1.00 to \$13.00 per hour at the end of 2019, then another \$1.00 each year thereafter, until reaching \$15.00 per hour on 12/31/2021.

For workers Upstate, in the Albany, Syracuse, Rochester and Buffalo regions, the minimum wage will increase by \$0.70 to \$11.80 per hour at the end of 2019, then another \$0.70 next year, until reaching \$12.50 per hour on 12/31/2020.

Thereafter it will continue to increase to \$15.00 an hour on an indexed schedule to be set by the Director of the Division of Budget in consultation with the Department of Labor.

A Revised Minimum Wage Form LS-207 for December 31, 2019 to December 30, 2020 is included in this Newsletter and is also available on our website at: [www.nysaaa.com](http://www.nysaaa.com).

By visiting the Department of Labor portal: [www.labor.ny.gov](http://www.labor.ny.gov), look for Laws and Regulations and then Minimum Wages, to see the wage rate schedule detailing these increases, as well as other information concerning the minimum wage for tipped workers in the hospitality industry and farm workers.

**Employers of fast food workers:** Adding another wrinkle to these statewide minimum wage increases is the separate fast food worker minimum wage schedule. All fast food workers in New York City are now paid a minimum wage of \$15.00 per hour.

In the rest of the state, the minimum wage rates for fast food workers who work for a chain with 30 or more establishments nationally, will become \$13.75 per hour on 12/31/2019, \$14.50 per hour on 12/31/2020 and \$15.00 per hour effective July 1, 2021.

## Paid Family Leave Update: 2020 Rate and Maximum Contribution

On April 4, 2016, Governor Andrew M. Cuomo signed into law New York's Paid Family Leave program, the most comprehensive paid family leave program in the United States. Under this law all eligible employees in New York have been able to take time off, while still being paid a portion of their wages, to bond with a new child, to care for a family member with a serious health condition or to handle personal matters arising from an immediate family member being called to active duty in the Armed Forces of the United States.

It was determined that employers who provided Disability must also provide Paid Family Leave. All employees covered under a DBL policy, will also be covered under the PFL policy. Employees need to give 30 days' written notice for a foreseeable leave and withholding employee payroll deductions for PFL was optional.

In the first year of the program, which commenced on January 1, 2018, eligible employees received 50 % of their average weekly wage up to 50% of the statewide average weekly wage for up to 8 weeks of leave.

In the second year of the program, which commenced on January 1, 2019, eligible employees are receiving 55 % of their average weekly wage, up to 55 % of the statewide average weekly wage for up to 10 weeks of leave.

In the third year of the program, commencing on January 1, 2020, eligible employees will receive 60 % of their average weekly wage, up to 60 % of the statewide average weekly wage for up to 10 weeks of leave.

New York States' Average Weekly Wage of \$72,860.84 per year, translates to a statewide average of \$1401.17 per week.

The premium rate, like the Family Leave Benefit amount is set as a percentage of an employee's wage. Thus, the premium paid by an employee depends on how much an employee earns: those that are earning less will pay a lower premium and those that are earning more will pay a higher premium as they are eligible for higher benefits.

Accordingly, based on commonly accepted actuarial principles, the Superintendent has determined that the premium rate for Family Leave Benefits for coverage beginning January 1, 2020 shall be 0.0027 % of an employee's wages for each pay period up to and not to exceed an annual maximum employee contribution of \$196.72.

If an employee's contributions reach the annual maximum employee contribution of \$196.72 before the end of the calendar year, the employee shall not be liable for any additional contributions for that year. Employers shall collect employee contributions consistent with this decision.

To predict the Family Leave Benefits claims for the 2020 calendar year, DFS considered all relevant actuarial factors, including but not limited to:

- Paid claims experience data from the Paid Family Leave program in New York in calendar year 2018 and in the first six months of 2019, with claim runouts through June 30, 2019.

Data analyzed separately by gender and separately for Bonding, Family Care and Military coverage included:

- Average claim frequency factors;
- Average weekly benefit factors;
- Distribution of claims by duration and average claim duration factors;
- Average covered payroll of the population making payroll contributions to the program;
- Anticipated shift of claims in New York from disability benefits to Paid Family Leave benefits due to the higher benefits available;
- Calculation of aggregate claims costs for newborn, adoptive and foster care bonding, family care and military leave;
- Adjustment for administrative expenses and profit.

## Social Security Changes Coming in 2020

**A higher tax cap:** Workers will contribute 6.2 % of their earnings to Social Security until their income exceeds \$137,700 in 2020, up from \$132,900 in 2019. Those that earn more than the taxable maximum will not have those earnings taxed by Social Security or used to calculate retirement benefits.

**Larger earnings limits:** Retirees who work and collect Social Security benefits at the same time, will be able to earn slightly more in 2020. Those who are under their full retirement age can earn up to \$18,240 in 2020, up \$600 from \$17,640 in 2019. One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year in which an individual reaches full retirement age, in this case 2020, the earning limit will be \$48,600, up from \$46,920 in 2019. This applies only to earnings for the months prior to your birthday and attaining the full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

Beginning the month an individual reaches their full retirement age there is no penalty for working and claiming retirement benefits and your benefit will be recalculated to give you credit for any withheld earnings.

**An older full retirement age:** Social Security's full-benefit retirement age has increased gradually due to legislation passed by Congress in 1983. Currently, the full benefit age is 66 years and 4 months for people born in 1956. 66 years and 2 months for those born in 1955 and for everyone born between 1943 and 1954, 66 years and no months.



The full retirement age will increase in 2 month increments in subsequent years until it reaches age 67 for everyone born in 1960 or later. Benefits taken at age 62 will be reduced by 30 % of the full benefit. Benefits taken at age 65 will be reduced by 13.3 % of the full benefit.

There is a financial bonus for delayed retirement. An individual reaching the full-benefit age in 2020, receives an 8% increase for each year they delay collecting benefits up to age 70. When the full-benefit age reaches 67, benefits claimed at age 70 will be 24 % higher due to that delay. The maximum retirement benefit for someone who waits until age 70 to collect benefits is \$3,776 a month in 2020, slightly up from \$3,770 in 2019.

**Medicare taxes for 2019:** The Medicare portion is 1.45 % on all earnings. Individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) and \$125,000 for married taxpayers filing a separate return, will be assessed an additional 0.9 percent in Medicare taxes on all earnings over the limits listed above.

**Bigger payments:** The average monthly Social Security payment is expected to increase to \$1,503 in 2020. Couples who are both receiving benefits will see their payments increase to \$2,531. The maximum possible Social Security benefit for a worker who begins collecting benefits at full retirement age in 2020 will be \$3,011, up from \$2,861 in 2019.

**COLA:** The Social Security Administration has announced that recipients will be getting a 1.6 % raise in their benefits for 2020. That raise comes in the form of a cost-of-living adjustment or COLA. Implemented back in the 1970's COLAs are designed to help seniors maintain their buying power when inflation causes the cost of goods and services to rise.

**Medicare Premium Increases:** Many seniors who are on Medicare and Social Security at the same time opt to have their Part B premiums paid directly from their Social Security benefits. Not only does this eliminate the hassle of having to send those premiums in, it also buys seniors some protection thanks to Medicare's hold-harmless provision.

This provision states that a senior on Social Security can't take a hit in benefits if Part B premium increases outpace a COLA for a given year. In other words, if a COLA adds \$15 a month to a senior's benefits, and Medicare goes up \$16 a month that same year, the most that senior will pay as a Part B increase is \$15.

The problem of course, is that some years Medicare Part B premium increases do in fact wipe out seniors' raises entirely. But for the typical Social Security recipient, this doesn't look to be the case for 2020.

The average monthly Social Security benefit at present is \$1,471, while recent projections put Part B's 2020 premium increase at \$8.80. If that estimate holds up, an uptick in Part B won't completely wipe out the typical recipients COLA.

To get a personalized estimate of your future benefits, you will need to go to [www.ssa.gov](http://www.ssa.gov) to create an online mySocial Security account.

*Source: Social Security National Press Office*

## Apollo Bids \$4.3 Billion for Tenneco Powertrain Unit

Apollo Global Management Inc. has offered to buy Tenneco Inc.'s powertrain business for \$4.3 billion, according to people familiar with the matter. The private equity firm's bid, described by people who asked not to be identified because the matter isn't public, represents a significant sum relative to the \$7 billion enterprise value of the auto parts maker.

However, it includes several adjustments and doesn't assume pension and other liabilities linked to the powertrain division, significantly lowering the bid's overall value, according to some of the people. For that reason, Tenneco is likely to reject the bid, they said.

Tenneco, the Lake Forest, Illinois based company's stock has slumped more than 50 % this year as its heavy debt load and a global slowdown in the auto sector have hamstrung its efforts to split itself into two publicly traded entities.

Suppliers of traditional powertrain components are also scrambling to adapt as auto makers pour money into the development of electric vehicles, which use batteries and electric motors instead of gasoline or diesel engines and transmissions.

Internal-combustion engines are still expected to remain the dominant powertrain in vehicles globally for a decade or more, analysts say. But many car companies are sharply curtailing their investment in that area while steering capital toward the development of electric vehicles, hurting the growth prospects for legacy powertrain businesses.

Apollo's offer fits with the buyout firm's strategy of acquiring out-of-favor businesses that other bidders consider too complex to turn around. Tenneco's powertrain business is also taking steps to address the growing demand for cleaner cars, developing systems aimed at lowering harmful emissions to take advantage of greater demand for hybrid vehicles.

*Source: [www.wsj.com](http://www.wsj.com)*



## Creekview Automotive Cleaning Up After Floods

Nearly five feet of water gushed in to the garage of Creekview Automotive after the Halloween storm. For owner Michael Heinrich and his wife Doreen, the storm caused unfathomable damage to their business. “I was just down there and it’s so overwhelming that I don’t know what to do. It’s just this can’t be possible, that’s 20 years of business gone in a night.” He said nothing is salvageable.

“It was like it was its own little hurricane going on in there. It just stirred it up all night long. There were items from the office that were in one bay and stuff that was in one bay were located in another bay”, he said. The couple did not have flood insurance on the garage, but thankfully they own another property in Poland.

Their operations are continuing, their workers are working, but it’s on a much smaller scale. The Heinrich’s said they are thankful for the community support and wish they could do more to help others right now. “The repair shop has been there for 20 years and we have a lot of loyal customers and that’s what makes this so hard when it has to be so bad this time.”

Unfortunately the owners don’t know yet if they’ll be able to open their garage again. Regardless, they said it needs to be gutted. State leaders said they’re working to secure federal funding to help those in the affected areas. If you would like to assist them in anyway, you may reach the Heinrich’s at 315-826-7704.

Source: *Spectrum News*

## Customer Service Statistics and Facts That Will Blow Your Mind

Every business owner wants to give the best service possible to their customers, but sometimes, we overlook how important customer service is as we get caught up in the tasks it takes to run our business. Customer service is more in-depth than small business owners think and in this day and age, it is changing and evolving constantly.

Customer service can make or break a business and your reputation, which is truly one of the most important pillars of your business’s success. Here are some customer service facts that will get you thinking about its importance and how you and your business can improve on your customer service interactions today:

- Consumers are 2 times more likely to share their bad customer service experiences than their good ones.
- 63 % of U.S. customers say they have stopped doing business with a brand due to a poor customer service experience.
- For every customer complaint, there are 26 other unhappy customers who have remained silent.
- It takes 12 positive experiences to make up for one unresolved negative experience.
- By 2020, the customer will manage 85 % of the relationship with an enterprise without interacting with a human.
- Customer Service Week is celebrated annually during the first week of October. It first became a nationally recognized event in 1992.
- The first known customer service complaint is inscribed on a clay tablet on display at the British Museum. Apparently, someone delivered copper that was the wrong grade. It was written sometime around 1750 B.C.
- An estimated \$41 billion is lost by U.S. companies alone each year due to poor customer service.
- 80 % of Americans agree that smaller companies place a greater emphasis on customer service than large businesses do.
- The 1-800 number was invented in 1967. Roy Weber, an AT & T scientist, is the man responsible for 1-800 Nation; he used still-evolving digital technologies to invent a way to offer toll-free service.

This was the beginning of modern day customer service and it has greatly evolved since then. Customer Service doesn’t only affect the retention of the consumer but affects the retention of employees as well and being aware of customer service statistics can help you stay ahead of the game.

People want to work for companies that respect their customers and their employees. Don’t let something like a poor interaction with those who frequent your online store or brick and mortar property come between you, your reputation or your business’s success. A positive experience with your company is good for everyone involved and you can certainly enjoy the experience, too.

Source: <https://sba.thehartford.com>

## Move Over, Millennials: Generation Z Comes to the Workplace

You may have noticed a new trend in your workplaces of late without even realizing it. As recent graduates descend into the workforce in entry-level positions across America, you may be under the impression that you are engaging with yet another crop of millennials, that over- analyzed and frequently maligned generation.



However, these newest workers that were born between 1995 and 2014 – aged 24 and younger- are actually the dawn of Generation Z's coming of age. What can employers expect from the generation who has never known a world without search engines?

There are approximately 60 million members of Gen Z and while most are still minors at this point, they are expected to account for one-fifth of the workforce by 2020. In other words, if you don't work with them yet, you should expect to work with them in the very near future.

Their outlook is framed from major events that occurred in the early 2000's: 9/11, the war with Afghanistan, Desert Storm, Columbine, Sandy Hook, the dot.com bust and the subprime mortgage crisis that led to the 2008 recession. It is perhaps not surprising that as a generation they are pessimistic, anxious and skeptical. And they are stressed.

**Communicating with Gen Z:** We'll start with technology, one of the primary factors that has defined this latest generation. Facebook came on the scene when the oldest were still in elementary school and approximately 90 % have a digital footprint. A recent survey found that 51 % prefer face-to-face interactions, while only 25 % prefer digital communication.

The challenges in communicating with Gen Z may not be from the method, but rather the content. Gen Z is known to be less focused, but better at multitasking. The key is to get to the point. They want their managers to give it to them straight, so they can be better set up for success.

Also, mentoring is of prime importance to this younger generation in the workplace. Three quarters of Gen Z workers surveyed say that they want a boss who can coach them, they value frequent feedback and manager consistency.

**Hiring Gen Zers:** So how do you go about staying competitive in the modern recruiting game and capturing the newest workers to come work for you? Generation Z wants real connections, even with their recruiters. They ranked the recruiters they worked with as the number one factor that influenced whether or not they accepted a job.

That was five times higher than technology and nearly four times higher than a speedy interview process. Outdated technology can be a turn-off to potential Gen Z applicants, as the lack of tech throughout the hiring process would deter them from accepting a job offer. Over half of Gen Zers will not even complete a job application if the recruiting methods are outdated.

To appeal to on-the-go Gen Z applicants, employers should consider mobile friendly job application sites and applications. You may even consider using text messaging as part of your interview process to appeal to their desire for expediency and efficiency.

**Creating a Gen Z Friendly Culture:** Once you have hired them, you need to turn your attention toward retention tactics. Like millennials, Gen Zers are global citizens interested in opportunities and companies that follow sustainable business practices, give back to their communities and know how their work is making an impact.

While they agree with millennials and rank salary and work-life balance as the top two considerations when deciding on whether or not to accept a job offer, their third highest priority is meaningful work. In the same vein, they also place a high value on company culture.

That doesn't necessarily mean you need to break out the cornhole sets and electric scooters around the office. Rather they want to work for companies that treat their employees like people and provide opportunities for growth. Given their high stress levels and the propensity to seek out treatment, revisit your benefits plans to make sure mental health coverage is sufficient.

Over half of Gen Zers plan to leave their current employer within three years, but they may stick around if they have the opportunity to grow within the company. Over half aspire to hold management positions. Financial security is also a priority, particularly since only 30 % are confident they will be able to repay their student loans.

**Been There, Done That:** If some of these themes sound familiar, they are. When Gen X came of age in the early 1990's, they expressed a desire to influence social values, address global issues and promote racial understanding. But there are key differences with Generation Z compared with Gen X millennials.

Specifically, Gen Zers are more independent and competitive, whereas the prior generation values collaboration. But mostly they're just extra: that is extra diverse, extra accepting, extra stressed and extra ambitious.

**In Conclusion:** The newest generation to join the workforce is accustomed to being sold a bill of goods. From Snapchat filters to #fakenews, they are hyperaware that nearly everything they consume has already been "spun" at best and they are inherently skeptical. Perhaps because of that, they say they place a high value on honesty and transparency.

Because most managers say that they do not plan to change their management style to meet the next generation of workers, there is opportunity for those willing to cut to the chase to attract and maintain the newest generation of ambitious, critically thinking workers.

None of these suggestions mean you need to radically change your way of doing business and in fact adopting them will not lead you to value the younger generation over the rest of your workers. Instead, you will simply be creating a more flexible work environment that is better suited for the 21st century.



## Top 10 Tips for Working with Generation Z Workers:

- Use recruiters who can connect with candidates
- Ensure you have up to date hiring technology
- Provide face to face, personalized communication
- Be a straight shooter and deliver your message efficiently
- Offer frequent feedback and mentoring
- Offer meaningful work
- Promote a positive work culture with opportunities to grow
- Provide mental health coverage
- Give independence and autonomy once earned
- Be honest and transparent

Source: Fisher Phillips

## 2020 Standard Mileage Rates for Business, Medical and Moving Purposes

The Internal Revenue Service (IRS) released Notice 2020-05 on December 31, 2019 providing the 2020 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2020 the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 57.5 cents per mile driven for business use, down one half of a cent from 2019.
- 17 cents per mile driven for medical or moving purposes, down 3 cents from 2019.
- 14 cents per mile driven in service of charitable organizations.

The business mileage rate decreased one half of a cent for business travel driven and three cents for medical and certain moving expenses from the rates for 2019. The charitable rate is set by statute and remains unchanged.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, except members of the Armed Forces on active duty moving under orders to a permanent change of station.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than five vehicles used simultaneously.

Notice 2020-05 posted today on IRS.gov, contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate (FAVR) plan.

In addition, for employer-provided vehicles, the Notice provides the maximum fair market value of automobiles first made to employees for personal use in calendar year 2020 for which employers may use the fleet-average or the vehicle cents per mile valuation rule.

## IRS Overhauls Form W-4 for 2020 Employee Withholding

On December 5, the IRS released the long-awaited final version of the 2020 Form W-4, retitled Employee's Withholding Certificate, with major revisions designed to make accurate income tax withholding easier for employees starting next year.

These are the key points employers should note, the IRS said when the final version of the 2020 Form W-4 was released:

- All new employees hired as of January 1, 2020 must complete the new form.
- Current employees are not required to complete a new form but can choose to adjust their withholding based on the new form.
- Any adjustments made after January 1, 2020 must be made using the new form.
- Employers can still compute withholding based on information from employees' most recently submitted Form W-4 if employees choose not to adjust their withholding using the revised form.

The IRS updated the W-4 to better reflect the tax code changes ushered in by the Tax Cuts and Jobs Act, which took effect last year. Unlike the 2019 Form W-4, the revised form excludes withholding allowances, which were tied to the personal exemption amount -\$4,050 for 2017- and are now suspended. It also replaces complicated worksheets with more straightforward questions.

A copy of the 2020 Form W-4 may be obtained by visiting the IRS website at [www.irs.gov](http://www.irs.gov) and selecting the forms and instructions tab to reveal the W-4 Employee's Withholding Certificate option. The Association office has downloaded a copy of the form in Microsoft Word that can be easily e-mailed upon request.



# The Foundation for Top Sales Achievement

As the saying goes, “A house is only as strong as its foundation.” It takes a strong foundation to ensure sales success. Following are the six high achievement ingredients that are necessary to build that strong foundation:

- 1. Be in sales for the right reasons:** The first thing I look for in a potential new sales rep is people skills. In order to have long-term success and become a top achiever, you must be able to understand and communicate with people while also having a great capacity for empathy. Genuine caring and a desire to serve and help people is a must.

In addition, one must also have a burning desire to succeed. A desire to make a lot of money is a good place to start. But it's also important to know why making a lot of money is important. These reasons should be ones that enhance both the life of the salesperson as well as the lives of those around them and the world as a whole.

- 2. The right attitude and beliefs:** What is daily attitude like? Do you always see solutions when you face problems? Do you stay positive in the face of all challenges? Looking for the positive side of a situation is a habit and like most good habits, it can be developed. I'm not saying you need to have a smile on your face 24/7 and believe issues never arise in life. What I am saying is:

Don't allow yourself to go to the other extreme of complete negativity and get overwhelmed to the point where you can't act. When you see a tough situation, recognize it, try to find some positives, keep a good attitude and ultimately resolve the situation as quickly as possible.

What is your motivation level? You need to be highly motivated and ready to work as hard as you have to in order to reach the top and remain there. How about self-confidence? To get to the top in selling requires high self-confidence and high self-esteem. Are you a self-starter or do you need someone to give you a push?

To get to the top in sales, you must be a self-starter. You must be motivated from within rather than needing someone to keep pushing you or keep you driven to succeed. To get to the top, you must be a consummate professional and exude integrity-at all times.

Finally, do you see yourself as a person who is completely responsible for your life and what happens in it? This kind of responsibility is the cornerstone needed for great achievement.

- 3. A willingness to pay the price for success:** How far are you willing to go in order to be successful? There is a price for success and top salespeople have chosen to pay it. Are you willing to do whatever it takes, ethically, to get to and stay at the top?
- 4. “Hanging out” with the right people:** Who do you hang around with and where are they going? You must hang around with successful people who are growing personally and professionally and who support your goals and dreams. Birds of a feather do flock together and the wrong group of people can drag you down quickly.

This doesn't mean you need to immediately discard your friends and family if they aren't completely supportive of you. However, as you progress towards your goals, you may find yourself gathering a new, different group of friends and hanging out with certain negative people less often. Let friends and family know the track you're on and ask them to help or even join in the adventure.

- 5. Good Health:** How is your health? It isn't possible to operate at your highest levels both mentally and physically if your health isn't good. If you are tired, run down or frequently ill, you will not be motivated and you will not perform well. You need to get plenty of sleep, eat properly and exercise on a regular basis in order to be a consistently top salesperson.

Good health also includes your overall mental condition. While sleeping, exercising and eating right will help your mental state, you must also develop the ability to handle stress, unexpected problems and other similarly negative things that may affect your emotions.

- 6. A life with balance and growth:** While the beginning of your sales career, or a new job, will be heavily weighted toward your career for the first three to five years, you don't want to go all-in on your career at the expense of everything else. You must still make time for health, the people in your life and other things that are important to you.

Considering you have 168 hours in a week, there is time to spend 70 hours or more at work and still take care of the other areas in your life. But it's going to require that you be a master of your time. For short periods, you can devote an inordinate amount of time to one area of your life and neglect the others.

However, if you do that too long, your attitude will suffer tremendously, along with your health and relationships. You may not get to each area every day, but in the course of a week, be sure each area of your life is getting its share of attention. Finally, you must be passionate about what you are doing, and you must always be growing personally and professionally.

The six ingredients above are necessary for consistent, long-term top performance. If you don't have these six essential ingredients in place, you will face some daunting challenges. The good news is that all of these ingredients can be learned.

Granted, few of them are mastered easily if you haven't already developed them. However, if you are truly committed to becoming a top salesperson, you can develop them. There is always hope.

Source: John Chapin, motivational sales speaker and trainer. [www.completeselling.com](http://www.completeselling.com)



# The Most Important Business Building Questions

If you've read many of my articles in the past, you've undoubtedly come across my statement that the biggest key to business building and sales success is activity, or more specifically, activity that leads to sales: prospecting, presenting and closing. It's simple, the more people you talk to, the more business you'll do.

Even a blind pig finds corn. If you talk to enough people during the day, you'll eventually bump into someone who says, "I need what you have" or "I know someone who needs what you have." These are some questions that you can use to direct your days activities and can lead to sales success.

**What will I do today to grow my business?** This is the most important question to ask first thing in the morning. Your answer should revolve around proactive activities that will grow your business. Ideally that activity consists of lots of in-person calls at best and phone calls at the very least. Cold e-mails are one of the worst, if not the worst, forms of initial communication unless accompanied by a phone call or an in-person visit.

I tell new salespeople, "Your number one priority in life is to go out and talk to new people about what you do. Everything else comes after that." The only exception is if they have kids. In that case, the kids come first and sales calls become the secondary priority.

It isn't paperwork, cleaning your desk, spell-checking a letter or answering a call from a client to tell them something basic like what address to send the paperwork to. Those tasks are done off-hours and ideally, most of the time, by other people.

*One of the primary goals of your activity is to talk to and meet new people.* This is one of the challenges I have with networking groups. You're talking to the same people over and over again whose number one priority is to sell you something as opposed to the other way around.

I don't have a problem with you going to Chambers of Commerce and Business Network International groups as an add-on or for fun because you like the people, but you only go to these after you first have made your 50 cold/semi-warm calls (or whatever your number is to generate the new business necessary).

If you haven't hit those numbers, you don't go to the comfortable networking meeting and waste your time. That's like eating candy so you don't have room for dinner. Same with social media. That is done *after* your proactive marketing. Networking groups and social media aren't proactive, they're reactive because you have to rely on other people to contact you or to give you leads.

You can't control your numbers that way. When you go out and knock on doors and ring phones, you control the numbers. I'm not saying don't do other networking and social media, I'm saying you do them *after* your in-person calls and phone calls have been made.

**Note:** A variation of the above question is: "**What will I do tomorrow to grow my business?**" You of course ask this question the night before. Come up with one, two or three ideas and then set some goals around those. For example, 10 in-person cold calls, 30 follow-up phone calls and 30 follow-up e-mails. You might even add sending out five handwritten notes. In blue ink of course.

**What am I doing right now to grow my business?** Use this question to stay focused on your sales numbers during the day. If it's currently prime time (the time in which you can reach prospects), you should be prospecting, presenting and closing 80 % of the time, or more. I recommend you make two signs in the largest font possible on your computer that say, "Am I prospecting, presenting or closing right now?"

Put one at your work desk and the other in your car if you make in-person calls. If it's 5 AM and the answer is 'no' that's fine. If it's 11 AM on a Wednesday and your prospects work a typical 9-to-5 day and your answer is 'no', then that's a problem.

Granted some of this time might be travel time but the focus should be on driving to make a cold call or a follow-up call with a prospect. Also, you of course want to use your time wisely by grouping calls together.

**What did I do today to grow my business?** What are your results at the end of the day? Did you hit the numbers you needed to hit to be successful? How many people did you call on and how many did you actually talk to? Based upon your annual, monthly, weekly goals and daily activity, did you get done what you needed to get done?

All of this leads to the ultimate question, the answer of which best determines sales success or failure: **How many new people did I make aware of my business today?** Also remember how important persistence is. **81% of appointments are made after the fourth contact.** 80 % of salespeople don't make the initial four contacts.

The average executive gets **400 e-mails** a day and has **52 hours of unfinished work on their desk.** It's not that they aren't interested or don't want to hear from you. When they have a to-do list of 76 items and you show up as number 77, it's most likely going to take some time to move up the list. Either way, on the day they do wake up thinking about doing something related to the product or service you sell, you want to be the next thought in their brain.

Source: John Chapin, motivational sales speaker and trainer. [www.completeselling.com](http://www.completeselling.com)





## MERCHANT SURCHARGE PROGRAM

Superior Financial Systems is pleased to introduce our Merchant Surcharge Program, giving merchants the ability to offset some of the costs associated with accepting credit cards. We understand how impactful processing fees can be to business profits, and are always on the hunt for ways to benefit our merchants.

Businesses can now assess a fee to customers when a credit card is used as payment. Our surcharge program allows for up to **4% or the effective rate, whichever is lower**, to be charged on transactions where a credit card is used to complete the sale. Debit cards, regardless of whether a PIN is used or not, are exempt from this fee. The surcharge collects the fee up front from the cardholder, offsetting the fees collected at the end of the month. Enrollment in our program includes the following components:

- Compliance with all Federal, State, and Card Brand law and regulations
- Registration with Visa and MasterCard
- Fee disclosure signage & Employee FAQ sheets
- Quarterly calculations of your effective rate to ensure the surcharge fee is correct

Merchants with existing equipment can request an evaluation of their current terminal to see if the model supports the required technology. We offer the latest equipment that meets all current requirements at an extremely reasonable price point for anyone interested in upgrading their equipment:

- 100% compliant credit card terminal with Bin-Smart technology
  - EMV and PCI compliant
  - Accept ApplePay/SamsungPay/Contactless credit cards
  - Identify credit versus debit cards so only credit cards are surcharged
  - The ability to bypass the surcharge fee so you never lose any sales

We are excited to offer this new feature as an added benefit to our merchants. *There is a 30-day waiting period once registration has been completed, and the following states do not allow for surcharging: Colorado, Connecticut, Florida, Kansas, Maine, Massachusetts, and Oklahoma.* Contact our Customer Service team today to discuss the ways this program could benefit your company.

**Todd Lazar, Vice President**

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## CREDIT CARD SURCHARGING 101

You've heard it called many names: convenience fee, cash discount, surcharge, merchant fee, service fee. They aren't all the same though, and there are rules. Surcharging is growing in popularity, with more businesses every day enrolling in the program. Before you decide if surcharging is the right option for your business, you should know what it entails.

A Supreme Court decision in 2013 made it legal for businesses to assess a surcharge on credit card transactions, provided that the local state laws didn't specifically outlaw the fee. **Currently there are 6 states that have laws prohibiting surcharge: Colorado, Connecticut, Kansas, Maine, Massachusetts, and Oklahoma.** California, Florida and New York also prohibit the fee, but the law is being challenged in the respective state courts, and it seems likely the bans will be overturned. Texas prohibited surcharging up until 2018, when the State lost the case and the Court determined it was legal to surcharge.

For those states that allow surcharging, businesses must abide by the rules of the Court judgment:

- The surcharge fee is capped at 4%, or your effective rate, whichever is lower.
- The fee can **ONLY** be assessed on credit card sales. Debit cards processed as credit **cannot** be assessed the fee.
- The merchant must disclose the surcharge fee in four places: the front door, the register, behind the counter, and on the receipt.
- Merchants must register with their card processor, Visa, and MasterCard. There is a 30-day waiting period after registration before a merchant can activate the surcharge fee.
- Surcharge fees must be included when issuing a return to a customer.

Not all processors, and not all terminals, are capable of supporting the requirements for compliant surcharging. It's important that you talk with your processor to make sure your terminal can determine between credit and debit cards, and the equipment should give you the option of bypassing the surcharge fee in order to avoid losing the sale should a customer refuse.

It's important to understand the distinction between the various fee programs available, as well. 'Cash discount' is the most common one in today's market, aside from surcharge. When using 'cash discount,' the posted prices include the credit card surcharge, and customers who pay using cash are given a discount as an incentive. Convenience fees are the next most common program, where a business charges a fee for the convenience of paying with a credit card when other available methods of payment are more complicated. Most states limit the convenience fee to just government and utility payments, and it's typically a flat fee. Merchant fees are the closest to surcharge fees, just using a different term, and Service fees are generally billed in relation to labor fees. While not as regulated as surcharge fees, these types of fees carry their own requirements, and any business utilizing one of these programs is urged to verify they are compliant with all laws to avoid potential fines for non compliance.

One last component of the surcharge program is customer feedback. Customer response to the program has been mixed, and in most cases, negative. Since the surcharge program only applies to customers who use traditional credit cards, not debit cards, customers are feeling double charged – once from their credit card company for the interest they pay, and once from the business for the fee the business pays. As a business owner, you will have to decide whether the 4% you collect is worth the irritation and potential loss of business as customers search for other companies who are not assessing surcharges.

If you are interested in surcharges, our team at Superior Financial Systems is ready to answer any questions you may have, and help get you set up. Contact Todd Lazar for more information: (888) 737-7762 | [Todd@SFSProcessing.com](mailto:Todd@SFSProcessing.com)

## Automotive Aftermarket Scholarships

Thinking about an automotive aftermarket career? Good choice! Servicing or supplying parts to more than 296 million vehicles in the U.S. and Canada can be a very rewarding career. An automotive scholarship can help pave the way.

Scholarships are available for full time students attending a U.S. or Canadian college or ASE/NATEF certified post-secondary school for automotive, heavy duty or collision repair technicians and to students in business, marketing, engineering or other major courses of study.

The University of the Aftermarket Foundation (UAF) and collaborating organizations, including NYSAAA, award automotive scholarships each year. Your on-line application will automatically be considered by every organization where you meet their qualifications.

More than 3,500 scholarships have been awarded by the University of the Aftermarket Foundation and all of the collaborating organizations since 1998. To complete the on-line application, please visit the UAF website at: [www.automotivescholarships.com](http://www.automotivescholarships.com).

New York State applicants can use the NYSAAA link on the website as listed above. The Board of Directors and the Scholarship Committee have awarded one or two scholarships every year since 1990, now an amazing thirty years in a row. The deadline to apply is March 31, 2020.

Through the University of the Aftermarket Foundation, there were a total of 399 scholarships awarded totaling some \$574,600 dollars. That total is up \$124,450 from last year. The funding of these Scholarships are made possible by an existing Grant and additional donations and pledges from various companies and organizations, including AutoValue, Bosch, Federated, Gates, Pronto and Standard Motor Products.

Funded by the University of the Aftermarket Foundation Grant were 161 scholarships totaling \$254,000. Funded through donations and pledges to the UAF Scholarship Fund were 108 scholarships totaling \$161,000 and funded by collaborating organizations were 130 scholarships totaling \$159,600.

The collaborating organizations are mainly comprised of the numerous State Associations throughout the United States and Canada. Included in this amount are the New York State Automotive Aftermarket Association winners: Patrick Brooks of Melville, New York who was awarded the John J. Lorenzen Memorial Scholarship and Brooke Martin of Fort Covington, New York who was awarded the Debbie J. Tranello Memorial Scholarship.

## New York State Automotive Aftermarket Association Scholarships

### John J. Lorenzen and Debbie J. Tranello Memorial Scholarship Funds

These funds are to financially assist those persons wishing to continue their education beyond the secondary level in pursuit of a career in the Automotive Aftermarket, which encompasses the replacement parts distribution industry and the high tech diagnostic repair industry. To be eligible for these scholarships, an applicant must be:

- A high school senior who has a good academic standing and is currently involved in a class which may be related to the automotive industry.
- Enrolled or planning to enroll full time in an accredited college or university and working or planning to work toward an Associate or Bachelor's degree.
- A high school graduate or holding a GED certificate and currently employed in the Automotive Aftermarket Industry.
- A high school graduate or holding a GED certificate and are recommended by a current NYSAAA member.
- Committed to a career in the Automotive Aftermarket Industry and enroll in a college or a university that will prepare a student for such a career.

There will be a minimum of one scholarship awarded each year. The dollar amount will be determined by the yearly contributions and will be made payable to the enrollment verified University.

