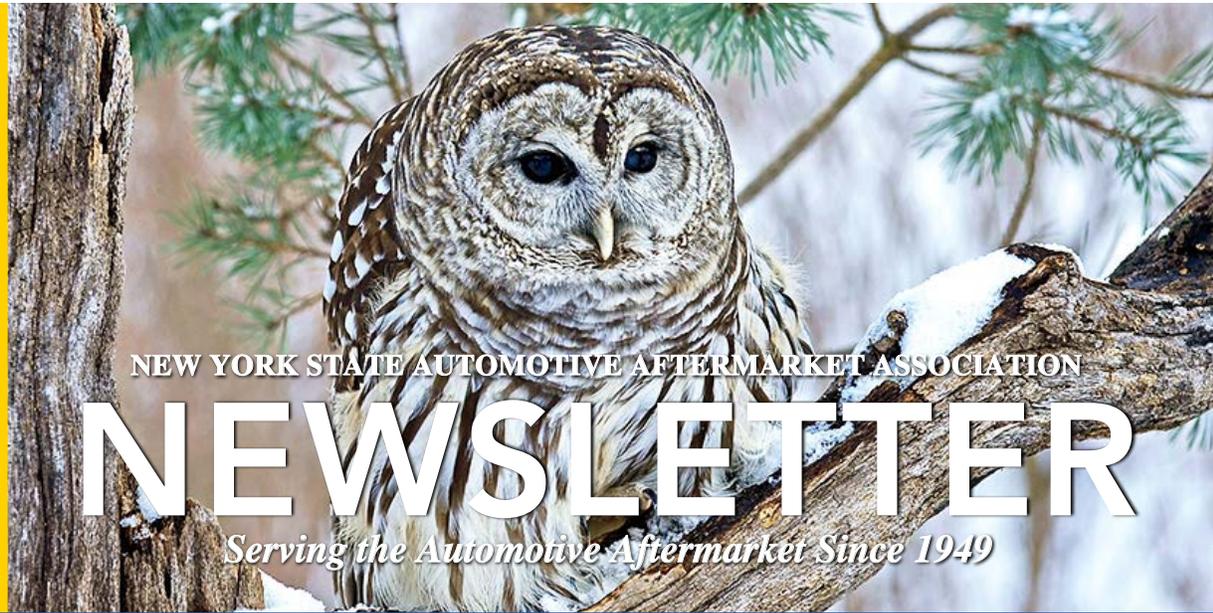




The Association For
Automotive Aftermarket
Professionals



NEW YORK STATE AUTOMOTIVE AFTERMARKET ASSOCIATION

NEWSLETTER

Serving the Automotive Aftermarket Since 1949

**JANUARY
2021**

Goodbye 2020!

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Most years one tends to look back at the year that has just passed and reflect on good things that had happened during the past twelve months. Of course all of us were celebrating the end of a year like none other on this New Year's. You would be hard pressed to find anyone who wasn't saying goodbye and good riddance to 2020.

Unfortunately the train is still in the station with only wild guesses as to when it will finally leave the station and make it safe to walk on the tracks to the future. I have always found pride from working in our industry, the automotive aftermarket, for over fifty years. In all my years of experience, I have concluded that the automotive aftermarket is made up of good hard working individuals who love what they do.

I have met thousands of people from the aftermarket over the years and I will say they are some of the nicest and hardworking people you could ever meet. However, I always felt our industry didn't get the credit it should. When the pandemic hit, we were recognized as essential suppliers with essential employees. That was the first time I had ever heard our industry referred to as "ESSENTIAL".

While this was something new to all of us, it made us the trailblazers for a new way to do business that none of us had ever experienced before. While it was good news that we could all keep our businesses open, the bad news was how we were going to do this and do this safely for ourselves and our employees. We quickly learned about things like PPE but also learned that PPE was in very short supply.

I will always remember when the state mandated that all essential businesses must provide their employees with masks, hand sanitizer and sanitizing cleaning products. At the time, hospitals and medical facilities were having trouble securing such items. That was just the beginning of the state taking control of virtually everything in the state like never before.

On top of it, we kept getting conflicting information from the authorities. They managed to scare the heck out of everyone. What did our members and people in the automotive aftermarket do? They rolled their sleeves up and went to work keeping their doors open and providing our essential services.

You did this with so much fear that exploded throughout our country for our safety. On top of it, with the majority of people in New York hunkered down at home, you came to work every day in an environment that made it almost impossible to operate at even a break

even. What you did and the risks you and your employees undertook, have given me even a greater respect for you and the hard working people of the automotive aftermarket.

Even today, you continue to operate with a great deal of uncertainty and continued risk. I want to take this opportunity to salute all of our members. You have proven that you are Essential to the markets you service.

I also want to take this opportunity to thank all of you for your continued support of our Association and the scholarship fund. My thanks go out to our volunteer board of directors and officers who worked diligently through this unprecedented year. Lastly, I want to thank our office manager, Mike Lord, for his dedication to our Association. Mike never missed a day this entire year.

We can only hope that 2021 will be labeled the year of change. With the vaccine starting to be distributed, there is a renewed hope for 2021 by all. However, we will still have a long journey back to what we used to call normal. I am sure some things will never be the same. However, I do know that no matter what 2021 brings, our members will be working every day to provide their essential service. I wish you all good health, prosperity and peace of mind in 2021.

New York State Automotive Aftermarket Association Managing Director; C. Fred Forsythe

Social Security Changes Coming in 2021

Cost-of-Living Adjustment (COLA): Based on the increase in the Consumer Price Index from the third quarter of 2019 through the third quarter of 2020, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 1.3 percent COLA for 2021. 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.

A higher tax cap: Workers will contribute 6.2 % of their earnings to Social Security until their income exceeds \$142,800 in 2021, up from \$137,700 in 2020. 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 2021. Those who are under their full retirement age can earn up to \$18,960 in 2021, up \$720 from \$18,240 in 2020. 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 2021, the earning limit will be \$50,520 up from \$48,600 in 2020. 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 2021, 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 25 % higher due to that delay.

The maximum retirement benefit for someone who files at their full retirement age (FRA) in 2021 is \$3148 a month. The maximum retirement benefit for those that wait until age 70 is \$3,895 a month in 2021, slightly up from \$3,776 in 2020. The expected maximum retirement benefit for someone who files at age 62 is \$2,324 a month in 2021.

Medicare taxes for 2021: 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 estimated average monthly Social Security benefits payable in 2021 after the 1.3 % COLA adjustment are expected to be: \$1,543 for all retired workers, \$2,596 for couples who are both receiving benefits and \$3,001 for a widowed mother with two children.

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 2021.

The standard premium for Part B which covers doctor and outpatient services is currently \$144.60 a month. In 2021 the standard premium for Part B will be \$148.50 a month, an increase of \$3.90.

To get a personalized estimate of your future benefits, you will need to go to www.ssa.gov to create an online mySocial Security account.

Source: Social Security National Press Office

What are the Changes to Medicare Benefits for 2021?

Medicare Part B covers physician services, outpatient hospital services, certain home health services, durable medical equipment and certain other medical and health services that are not covered by Medicare Part A. The standard monthly premium for Medicare Part B enrollees will be \$148.50 in 2021, an increase of \$3.90 from the standard monthly premium of \$144.60 in 2020.

Recent legislation signed by President Trump significantly dampens the 2021 Medicare Part B premium increase that would have occurred given the estimated growth in Medicare spending next year. Medicare spending is estimated to grow due to people seeking care they may have delayed during the COVID-19 public health emergency and the availability of more COVID-19 treatments and vaccines. (For which there will be no out-of-pocket costs for seniors).

Under the terms of the legislation, the increase was limited to 25 percent of what it would otherwise have been. The increase in Part B premiums for the majority of Medicare enrollees also depends on the size of the annual Social Security cost of living adjustment or (COLA). In some years, small COLAs have limited the amount of most enrollees' Part B premium increases. But the COLA for 2021 is 1.3 percent, which is sufficient enough to allow for the full Part B increase for virtually all Medicare beneficiaries.

The Part B deductible for 2021 is \$203.00, an increase of \$5.00 from \$198.00 in 2020. Some enrollees have supplemental coverage that pays their Part B deductible. This includes Medicaid, employer sponsored plans and Medigap plans C and F. However, Medigap plans C and F can no longer be sold to newly-eligible enrollees as of 2020. People can keep them if they already have them and people who were already eligible prior to 2020 can continue to buy them.

The ban on the sale of Medigap plans that cover the Part B deductible for new enrollees was part of the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015. It's an effort to curb utilization by ensuring that newly-eligible enrollees incur some out-of-pocket costs when they receive medical care.

Many Medicare Advantage plans have low co-pays and deductibles that don't necessarily increase in lockstep with the Part B deductible, so their designed benefits have had different fluctuations over the last few years. Medicare Advantage enrollees pay the Part B premium plus the Advantage plan premium if the plan has one.

Medicare Advantage plans wrap Part A, which covers inpatient hospital, skilled nursing facility and some home health care services, along with Part B, and usually Part D plus various supplemental coverages together into one plan, with out-of-pocket costs that are different from original Medicare. The Medicare Part A inpatient deductible when admitted to a hospital will be \$1484.00 in 2021, an increase of \$76.00 from \$1408.00 in 2020.

Medicare Part A has out-of-pocket costs when enrollees need hospital care, although most enrollees do not pay a premium for Part A. But you'll have to a premium for Part A if you don't have 40 quarters of work history or a spouse with 40 quarters of work history. Only roughly one percent of Medicare Part A enrollees pay premiums.

For 2021, the Part A premium for people with 30 plus, but less than 40 quarters of work history is projected to be \$263.00/month, up from \$252.00/month in 2020. For people with fewer than 30 quarters of work history, the premium for Part A is projected to be \$478.00/month in 2021, up from \$458.00/month in 2020.

Part A has a deductible that applies to each benefit period, rather than a calendar year. In 2021 the deductible has increased to \$1484.00 and applies to all enrollees, although many enrollees have supplemental coverage that pays for all or part of the Part A deductible. This covers the enrollee's first 60 inpatient days during a benefit period. A daily coinsurance fee is charged if the person needs additional inpatient coverage during the same benefit period.

For care in skilled nursing facilities, the first 20 days are covered with the Part A deductible that paid for the inpatient hospital stay, that preceded the stay in the skilled nursing facility. Medicare only covers skilled nursing facility care if the patient had an inpatient hospital stay of at least three days before being transferred to a skilled nursing facility, although this has been waived for people affected by the COVID pandemic. There is however a coinsurance that applies to days 21 through 100.

Medicare Part D drug plans cover a wide range of prescription drugs that people take and have their own list of what drugs are covered by placing them into different levels called "tiers" on their formularies. Plans include both brand name prescription drugs and the generic equivalent. The formulary includes at least 2 drugs in the most commonly prescribed categories and classes.

Generic drugs use the same active ingredients as the brand name prescription drugs. Generic drug makers must prove to the FDA that their product works the same way as the brand name prescription drug. Each plan can divide its tiers in different ways, with each tier costing a different amount. Generally, a drug in a lower tier will cost less than a drug in a higher tier.

Starting January 1, 2021, if you take insulin, you may be able to get Medicare drug coverage that offers savings on your insulin. You could pay no more than \$35.00 for a 30 day supply.

For any questions pertaining to Medicare or Health Insurance we endorse Mr. Peter G. Carchedi CLU to answer all of your concerns. His contact information is provided below.

Source: medicareresources.org and medicare.gov



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2021 Standard Mileage Rates for Business, Medical and Moving Purposes

The Internal Revenue Service (IRS) released Notice 2021-02 on December 22, 2020 providing the 2021 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, 2021 the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56 cents per mile driven for business use, down 1.5 cents from the rate for 2020.
- 16 cents per mile driven for medical or moving purposes for qualified active duty members of the Armed Forces, down 1 cent from the rate for 2020.
- 14 cents per mile driven in service of charitable organizations. The charitable rate is set by statute and remains unchanged from 2020.

The standard mileage rate for business use 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.

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, unless they are members of the Armed Forces on active duty moving under orders to a permanent change of station.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. Taxpayers can use the standard mileage rate but must opt to use it in the first year the car is available for business use.

Then in later years, they can choose either the standard mileage rate or the actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals).

Notice 2021-02, contains the optional 2021 standard mileage rates, as well as the maximum automobile cost used to calculate the allowance under a fixed and variable rate (FAVR) plan.

In addition, the notice provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in calendar year 2021 for which employers may use the fleet-average valuation rule or the vehicle cents per mile valuation rule.

\$15.00 per hour Minimum Wage for New York State

As part of the 2016-17 State Budget, Governor Andrew 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 all workers in New York City employed by large and small employers the minimum wage is now \$15.00 per hour.

For workers on Long Island and in Westchester County the minimum wage will increase by \$1.00 per hour to \$14.00 per hour at the end of 2020, reaching \$15.00 per hour on 12/31/2021.

For workers in the Albany, Syracuse, Rochester and Buffalo regions, the minimum wage will increase by \$0.70 per hour to \$12.50 per hour at the end of 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, 2020 to December 30, 2021 is included in this Newsletter and is also available on our website at: www.nysaaa.com.

By visiting the Department of Labor portal: 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 for 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 \$14.50 per hour on 12/31/2020 and \$15.00 per hour effective July 1, 2021.

Are Your Producers Not Producing?

Last week I was talking with a friend of mine who owns a business and he repeated something that I've been hearing from a lot of business owners in 2020. He said, "Every year around my insurance renewal date I have anywhere from three to six insurance agents, in addition to my current agent, show up looking to quote my insurance. You know how many have showed up this year?" I knew the answer because I've heard it from other business owners, but I humored him, "How many?" "Zero".

Why are so many producers not producing? They are brand new, they aren't putting in the necessary hours, they aren't doing enough of the right activities, or even after years in the business they still don't know what they're doing. The only acceptable one for not producing is the first one. That being said, that shouldn't be an acceptable reason past six months. There are a number of reasons why a producer may not be producing.

Among them are; no work ethic, they are in their comfort zone with enough money to pay the bills, you keep paying them even though they aren't producing, they are close to retiring, they don't like people, they aren't cut out for sales, they aren't motivated, or they lack mental toughness which can result in the fear of making calls, anxiety, a lack of confidence, a lack of belief and several other mental afflictions.

To make sure you have producers that produce; hire correctly, set rules and expectations up front and hold them accountable, supervise, micromanage the rookies, lightly coach top producers, have a sales system and process in place, provide sales training, with tools and resources. Have a support staff in place, provide the right environment, one that is positive and supportive, have a good relationship with them and know what motivates them.

Back to the story I opened with. Sixty to eighty percent of the producers I run into are looking for any distraction, any reason to avoid the discomfort of hard work. The pandemic has provided an excellent one because it gives the creative brain lots of seemingly valid excuses to stop making sales calls. Here is another example of what I run into this time of year.

On Columbus Day I called an agent I've been working with for a couple of months for our phone call that we have every Monday at 9:00 AM. I got her voicemail, so I left a message for her to call me. She sent me a text about an hour later saying, "Our agency is closed today. Email me another day this week that works for you, or let's chat next Monday! Have a great day!"

My rule has always been, if your customers businesses are open, you're open, even if your office isn't. Here's what I know about Columbus Day and other similar holidays, for the insurance agent in the story and many other salespeople, almost all the businesses they call on are open, there's less traffic, it's easier to get to the decision makers and most producers aren't working, so you stand out. That's a win, win, win, win.

You don't train people to pro-actively think like that. They come to you with that factory installed equipment or they don't. When you try to train someone to make calls during a pandemic or on Columbus Day, when that's not in their blood, they either laugh, thinking you're joking, cop an attitude or lie.

"Okay I'll go make some calls", then they hang up and promptly go back to bed or watching television. So do your best to hire hard workers who are positive, and self-motivated and who like people. Then provide as many of the above solutions as you can.

Source: John Chapin motivational sales speaker, coach and trainer. www.completeselling.com

How Sales and Selling will be changed by 2020

2020 has not been a typical year by any stretch of the imagination. Almost everything we know has been changed or affected in some way, shape or form. So what about selling? How has selling changed and what must we do to adapt to the new environment? Very rarely, if ever, does a disruptor change the core principles of the sales game.

Most issues and changes, whether it's the birth of the internet, social media, e-mail, 9/11 or the 2008 recession, have simply been distractions, causing us to make some small adjustments to our process, but they haven't changed the foundational principles of sales. The events of 2020, led primarily by the pandemic, have been slightly different in that they have affected some important aspects of how many of us sell.

For example, in most cases face-to-face sales calls had to be replaced by phone calls and other mediums of contact. This in turn caused changes in the number of contacts, messaging, use of technology and the need to be more persistent. To expand on that a bit, here are some areas you should be working on so you're prepared if you find yourself in a lockdown again:

Work on your phone sales skills: In-person calls are the most effective for selling, phone calls are number two, so you want to get great at selling over the phone. If you think you can't sell over the phone, realize it is just like any other skill and it can be learned and developed. With that in mind, remember that 55 % of communication is facial expressions, eye movements and body language. You obviously miss that over the phone.



There are also subtleties such as the fact that your voice loses 25 % volume over the phone. Methods, messaging and logistics have to be adjusted when selling by phone, but if you can't be there in-person, the phone is the way to go. Then, work on your communication skills. As stated above, it's more difficult to communicate over the phone. The better your messaging is in general, the more successful you'll be. Plus, most of us need to be better communicators anyway, even in person.

Persist and persevere: Realize that while making face-to-face sales calls takes persistence and perseverance, calling on people via the phone, e-mail or other mediums, takes even more. It's much easier to dismiss things when you're not physically present. Also forms of contact other than in-person tend to take more touches and more stick-to-itiveness necessary.

Learn technology and tweak your sales process a bit: Yes, the internet, social media, e-mail and the pandemic may require us to get more tech savvy and understand things we didn't need to worry about 30 years ago, but that doesn't mean we need to completely change the way we do business. Even though we now ask someone if they prefer an e-mail, text, phone call or other medium, most of the old tried and true methods still apply. For example, the average C-level business executive in their 50's does not want to get on a Skype or a Zoom call, they want a phone call if they can't see you in person. That said, you want to be familiar with technology just in case. You don't want to be labeled a dinosaur.

Stay positive: Part of your job is to be positive and optimistic. You don't have to be Pollyanna, but you do want to look on the bright side of things. While prospects or clients may be negative, you don't need to pile it on, or start the negative ball rolling to begin with. There's enough negativity in the world right now. You want to be a pleasure to do business with and you want people to view you as a positive person.

All of the above said, while you're adding to and tweaking skills needed for the present situation, you also want to make sure your basic sales foundation is in place. Here are some ways to do that:

Focus on your activity and your numbers: I tell my insurance agents that they need 5 to 8 appointments every week if they're going to hit their sales goals. I know if they get in front of that number of people and follow my process: identify them properly, create big enough problems that they can solve, come up with compelling solutions, present, close and do every part of the sales process correctly, then five to eight appointments will equal at a minimum, one sale a week and usually more.

If they have zero, one or two appointments a week, they probably won't hit their goals. Know all your numbers, track them and do whatever you have to do to hit them daily and weekly. Next, you should always be working on your sales skills. The stronger your sales skills, the more confident you will be and the more successful you'll be with the people you talk to.

Remember that you're still needed and you're still the expert: People thought the internet would make salespeople obsolete. During the pandemic, some salespeople have questioned whether or not they are necessary. Regarding the internet and other advances in technology, while it's true that people are generally better informed and can and do look more information up, including your product, they don't live in your world seeing a plethora of scenarios and designing a ton of solutions every day.

Regarding the pandemic, many people have questions and need help from the experts. You are still the expert and experts will always be needed whether it's doctors, lawyers, CPA's or yes, even salespeople. In insurance for example, the industry-specific wording on a policy looks like Swahili to the average person. They don't know half the terms on their policy and they aren't looking to learn. They want to rely on an expert to guide them.

In closing: If I were going to design the perfect salesperson who is ready for anything, I'd start with someone with people skills who truly cares about other people, who is hungry, who persists and perseveres, with a blue-collar mentality, a thick skin, who isn't afraid to show up early, leave late and pound the pavement making more calls than anyone else. Combine that with someone who studies their craft and knows their product, practices, drills, and rehearses their presentation, has answers to objections, closes and anything and everything they're likely to run into during the day.

Finally, add the knowledge of social media and technology. Use it in a supporting role and not as the foundation for their sales efforts, which should be in-person sales calls and phone calls. If you want to be prepared for anything, use this as a roadmap to your success.

Source: John Chapin, a motivational sales speaker, coach and trainer. #1 sales rep with 32 plus years of experience. www.completeselling.com

Automotive Aftermarket Scholarships

Thinking about an automotive aftermarket career? Good choice! Servicing or supplying parts to more than 308 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 3,950 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.

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-one years in a row. **The deadline to apply is March 31, 2021.**

Last year through the University of the Aftermarket Foundation, there were 450 scholarships awarded totaling \$654,500 dollars, that amount is up \$79,900 dollars from the previous year.

The funding of these Scholarships is made possible by an existing Grant and additional donations and pledges from various companies and organizations such as: Auto Value, Bosch, Bumper to Bumper, Federated, Fisher, Gates, Mitchell 1, PPG Platinum, Pronto, Standard Motor Products and the Women in Auto Care Council.

The University of the Aftermarket Foundation continues to lead the way with over 150 grants awarded and is working diligently to expand the number of scholarships and educational opportunities that are available in order to help develop a strong aftermarket workforce.

The collaborating organizations are mainly comprised of the numerous State Associations throughout the United States and Canada. Included in these figures is the Scholarship awarded by the New York State Automotive Aftermarket Association to Abigail Clark, winner of the Debbie J. Tranello Memorial Scholarship. Abigail is currently enrolled at Alfred State College in their collision repair program.

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.

Standard Motor Products Launches Automotive Education Program



New York, November 17, 2020—Standard Motor Products, Inc. (SMP) has launched the Automotive Education Program (AEP) to assist instructors and help automotive technology students develop professional skills they can use in the bay.

As virtual learning is becoming a welcome addition to classroom instruction, the SMP program offers supplemental training for students, while providing an opportunity for them to earn gifts and help their instructor outfit the classroom. The initial AEP course features a series of four videos that explore ignition coil issues, testing and tips.

Since its launch in early September, more than one thousand tech students have already participated in Level 1 of the program. To sign up, instructors create an account and build their class on www.SMPAutoEducation.com. The system generates a unique URL that instructors send to their students, who register and join their instructors' AEP classroom.

Upon successful course completion, students receive a certificate and gift package, while instructors receive posters, counter mats and more for their classrooms. Commenting on the program, Ryan Kooiman, Director of Training at SMP stated:

“We are pleased that our Automotive Education Program has been so well received and that we’re able to support the instructors and students. This is one of the many ways SMP is helping to educate the next generation of automotive technicians.”

AEP is expanding into new topics and the level 2 course will be available soon.

About SMP: With over 100 years in business, Standard Motor Products, Inc. is a leading independent manufacturer and distributor of premium automotive replacement parts. SMP supplies independent professional technicians and do-it-yourselfers with high quality replacement parts for engine management, ignition, emissions, fuel and safety-related systems.

They also provide temperature control products for domestic and import cars and light trucks. SMP® Products are sold worldwide through both traditional and non-traditional distribution channels. For more information download the SMP® Parts App or visit www.smpcorp.com.

National Pronto Association and Automotive Distribution Network Merge

December 9, 2020: The leadership of National Pronto Association and Automotive Distribution Network announced today the merger of the two organizations. As of January 1, 2021, the newly formed organization will be known as the Pronto Automotive Distribution Network.

Headquartered in Grapevine, Texas Pronto Automotive Distribution Network will be led by Robert Roos as President and David Prater as Executive Vice President. The combined organization will represent over 250 members in North America with an estimated annual revenue of approximately \$5 billion.

Members will continue to market under the Auto Pride, Parts Plus and Pronto names. In addition, Pronto Automotive Distribution Network, together with Federated Auto Parts will comprise the Automotive Parts Services Group. (The Group).

“Pronto members and staff are excited to partner with the Network team. The similarities between our two groups are significant, making the transition into one company a much easier path,” said Roos.

“This merger will benefit Network and Pronto members as well as our valued vendor partners by increasing our membership footprint throughout North America and helping to ensure our collective future viability. In addition, the merger will enhance our position within The Group, working alongside our partners at Federated. I can’t think of a better way to start off the New Year.”

“By forming the Pronto Automotive Distribution Network, we will have the ability to build on past success, make a greater impact in the marketplace and identify more ways to benefit our members, supplier partners and associates,” added Prater.



“Because the aftermarket is always evolving, taking this proactive step and merging two of the major program groups will help ensure our combined membership is well positioned to compete and achieve mutual success well into the future.”

Operating under the brands Auto Pride, Parts Plus and Parts Plus Mexico, The Automotive Distribution Network is one of the most diverse groups in the auto care industry. The Network is a member of Nexus North America and Nexus Automotive International, a group of parts distributors who are committed to bringing a global approach to the industry.

National Pronto Association is a North American organization headquartered in Grapevine, TX consisting of 80 shareholder owners. Pronto was formed in 1979 and is a leading automotive program distribution group with a focus on buying, marketing and technology.

The group is a founding member of 1Parts Global Aftermarket Services, headquartered in Brussels Belgium. Pronto members distribute name brand, OE and Pronto exclusive brand products. Pronto members are located in Canada, Mexico, Puerto Rico and the United States.

For more information on both organizations please visit: www.networkhq.org and www.Pronto-Net.com.

Source: www.moderntiredealer.com

First Brands Group acquires Centric Parts



On December 2, 2020 First Brands Group, a global automotive parts company, has acquired Centric Parts, a leading manufacturer and supplier of replacement brake components, whose labels include Centric, C-TEK, Posi Quiet and StopTech.

“We are excited to add Centric Parts to our market-leading portfolio of aftermarket brands,” said Guy Andrysick, President of Aftermarket for First Brands Group.” The addition of Centric Parts significantly

expands our caliper capacity and breadth of catalogue and it positions us as the clear market leader in aftermarket braking.

“The acquisition has strengthened our supplier position to support all customers with one of the most comprehensive portfolios of replacement products in the North American automotive aftermarket.” The acquisition is effective immediately.

“With its highly recognized brand, quality products and established reputation, I am confident that Centric will succeed as part of a larger global organization with deep expertise and valued relationships across the industry,” said Tribby Warfield, CEO of APC Automotive Technologies.

The latest acquisition comes a few short months following First Brands’ acquisition of Brake Parts Inc. and Champion Laboratories and its Luber Finer brand, in July 2020, adding to its existing portfolio that also includes ANCO wiper blades, Autolite spark plugs, Carter fuel and water pumps, FRAM filtration products, TRICO wiper blades and StrongArm lift supports.

Source: *Jobber Nation*

GM Recalling 7 Million Vehicles for Airbag Problems

New York (CNN Business) – General Motors is recalling 7 million pickups and SUV's worldwide with airbags made by the same manufacturer whose airbags are linked to at least 17 deaths in the United States.



The National Highway Traffic Safety Administration (NHTSA) ordered a U.S. recall on Monday November 23, 2020 rejecting GM's argument that this version of the airbags didn't need to be replaced. The recall centers on a defect in airbags made by Takata, a now-bankrupt Japanese manufacturer that caused the bags to explode, spraying shrapnel throughout the vehicle.

In addition to the deaths, other drivers or passengers have been blinded or maimed. The decision comes more than six years after initial recalls linked to the Takata airbags began in 2014, ultimately becoming the largest auto recall in history. Prior to Monday's announcement, the U.S. portion of the recall had already reached 63 million airbags in about 40 million vehicles.

GM had previously recalled nearly 800,000 vehicles with Takata airbags, but had argued that its tests showed the airbags in these additional vehicles, which have a different kind of inflator than the devices in the earlier recall, did not pose a threat. The dispute between GM and the safety regulator has been going on for four years.

On Monday, the NHTSA rejected GM's argument and ordered it to recall 5.9 million of the vehicles that are registered in the United States. "NHTSA concluded that the GM inflators in question are at risk of the same type of explosion after long-term exposure to high heat and humidity as other recalled Takata inflators," said the agency.

GM said it would comply by recalling those domestic vehicles and another 1.1 million of the same models elsewhere in the world. But it said it remains convinced the airbags do not pose a threat. "We believe a recall of these vehicles is not warranted based on the factual and scientific record," said GM, however, we will abide by NHTSA's decision and begin taking the necessary steps."

The latest recall will be expensive for GM, costing the automaker about \$1.2 billion according to its most recent annual financial report from earlier this year. Because of Takata's bankruptcy, GM will have to pay all of the costs itself. The company expects to spend about \$400 million next year and the additional funds in subsequent years.

Only about 75% of the earlier 800,000 recalled vehicles have been brought in to be fixed despite the fact that the recall started more than six years ago. The recalls are done at no cost to the vehicle owners. There is no deadline by which recalled vehicles must be repaired or replaced.

The recall covers the Cadillac Escalade, the Chevrolet Avalanche, Silverado, Suburban, Tahoe and the GMC Sierra and Yukon with model years 2007 to 2014. Owners will be notified if their vehicle is included in the recall, or they can enter the VIN number at: [nhtsa.gov/recalls](https://www.nhtsa.gov/recalls).



How Can We Help You?



Eight months into this new normal defined by COVID, who would have thought we would still be dealing with this mess? Factor in the upcoming cold and flu season, and that light at the end of the tunnel seems awfully far away. Even the holidays will be different, in every way imaginable from gatherings to gift giving to how customers will spend their money. Add in the shortage in coins right now, and we have this trifecta of difficulties that calls for some serious creativity to outlast.

As a business owner, you've probably already asked yourself all the important questions, and done what you can to protect your staff members and customers equally. Plexiglass dividers, masks and gloves, sanitizer spray for everything. Limited customers in the store, curbside pick-up, and delivery where feasible. Reduced inventory, maybe even a COVID surcharge to offset new expenses, anything to keep the doors open and your staff paid, while still serving your community members to the best of your ability. You and your business are essential, and we are grateful to you all for making it work day after day.

Our job is to support you in every way we can. We remain committed to our merchants and business partners especially in today's uncertain times. Our office is fully staffed and open to provide full support to all our clients. We have revamped our products and services to better fit the demands and needs of our merchants, both new and existing.

Contactless payments are easy with the new Dejavoo Z1 mobile terminal, a fully mobile unit that doesn't require WiFi, supports text message receipts, and even offers a basic loyalty program. The Z1 supports tap and go cards, and all forms of the mobile wallet. Contact us for pricing options.

For merchants who have moved to an online ordering system, the Authorize.net gateway is an excellent product with a robust offering of features to fit any size merchant. The simple checkout feature lets you create an open payment form on your website so customers can pay for their purchases from their phones. The invoice feature lets you email a custom invoice with a payment link so customers can pay at their convenience. For merchants who ship across the country, the fraud tools are second to none, helping you protect your business and your customers every step of the way.

Our entire line of Dejavoo terminals support the surcharge option, which may help you offset some of the rising costs of business while still offering the lowest product prices possible. Our program is fully compliant with all card brand rules and regulations, and can be turned on or off at will allowing you maximum control.

We also offer a gift card program that is scaled to offer multiple card counts, giving you the option of gift certificates for the upcoming holiday season, or even allowing out of state customers to purchase cards for in state relatives. Our programs offer a variety of card design choices, custom artwork, and can link across multiple locations.

Combine all these offerings with our standard low-cost pricing, and our long-standing new merchant offers of a free terminal or a free month of processing, and we feel confident we can meet – and exceed – your needs and expectations for credit card processing merchant services. As always, we will review your existing program for free, with no obligations to sign. If we can't beat your current offer, we'll say so. Let our extensive knowledge of the industry do the work for you, ensuring you have the best processor out there in your corner, fighting for your business. Call us today, whether you are already signed on with us, a brand new business, or already have a program in place but are curious what else is out there – we are here for you.

Todd Lazar, Vice President of Sales | (888) 737-7762 | Todd@SFSProcessing.com





IMPORTANT INDUSTRY UPDATES FOR MERCHANT PROCESSING

Periodically, the Card Brands release industry updates regarding products and services vital to businesses for their credit card processing accounts. We have highlighted the important updates that impact your industry, please read through them and reach out to Customer Service if you have any questions – (866) 601-2733 Monday – Friday, 8am to 4pm PST.

Contactless Payment Acceptance is Now Mandatory

All merchants who accept EMV chip transactions must ALSO be able to accept contactless payments at their terminal/point of sale. If your terminal does not currently support this functionality, contact your processor/sales agent immediately to discuss options for upgrading your equipment.

Refund Declines are Legitimate Transactions

All refunds now require an active authorization approval from the customer’s bank in order to process through on the terminal. If a refund is processed through a terminal, and declined, *do not force the decline through a second time*. Per new industry standards, a refund can now be charged back to a merchant if the customer’s bank determines the refund was not processed correctly.

If a refund is declined, merchants must not issue a refund to another card – issue the refund via some other means such as store credit, or other store refund policy. Issuers can decline the refund for various reasons such as: closed account; fraudulent card; or no card on file, among other codes.

We recommend all merchants track the refund decline receipt, plus eventual refund option, such as store credit, or other options, accompanied by a signed refund receipt indicating the customer acknowledges receiving the refund.

Updates to 3DS Secure and MasterPass Programs

Visa and MasterCard have made significant updates to their secure programs, Visa’s 3DS Secure program and MasterCard’s MasterPass. If you currently utilize either of these programs on your website to protect against chargebacks, it is strongly recommended that you reach out to your program vendor to ensure you are compliant with all current requirements.

Terminal LifeCycle Update

Please be advised that the following terminals are being sunsetted by the manufacturer, and may no longer receive updates for compliance to the hardware or software. Technical support is still available for all listed units, but new sales will no longer be possible. Merchants who currently own these terminals may wish to consider upgrading in the coming months.

First Data FD-130

First Data FD-200TI

First Data FD-35 pinpad

Verifone VX520

Superior Financial Systems, Inc. remains committed to our merchants and business partners especially in today’s uncertain times. Our office is fully staffed and open to provide full support to all our clients. If you have any questions, or wish to discuss anything pertaining to your merchant services needs, please call us right away – (866) 601-2733.



The Association For
Automotive Aftermarket
Professionals

Congress Clears 2021 Appropriations and COVID-19 Relief

On December 21, 2020 Congress passed the “Consolidated Appropriations Act 2021” which includes COVID-19 relief. This massive legislation funds the federal government through September 30, 2021.

Notably, the Act extends the Paycheck Protection Program (PPP) and makes the following amendments to it:

- Eligible small businesses with fewer than 300 employees that have experienced at least a 25 % loss in gross revenue may be able to take a second PPP loan.
- PPP loans that are forgiven and Economic Injury Disaster Loan advance payments will NOT be considered taxable income.
- PPP covered expenses may be deductible even if the PPP loan is forgiven.
- Mandates a new 1 page loan forgiveness form for PPP loans that are less than \$150,000.

Additionally, the tax credits for paid sick and family leave have been extended. The Small Business Administration will be required to issue implementing regulations within 10 days of enactment.

The Act also includes a “Return to Work Reporting” provision that requires states to have a method to address concerns that individuals receiving pandemic unemployment assistance are refusing to return to work or accept an offer to work, without good cause. This provision includes a reporting method for employers as well as a requirement to provide notice to those receiving unemployment benefits describing their rights under the Act.

Finally, the appropriations section of the Act includes provisions impacting our industry:

- Funding is provided to the National Highway Traffic Safety Administration (NHTSA) for behavioral research on advanced driver assistance systems, automated driving systems and improving consumer responses to safety recalls.
- The explanatory statement of the Act encourages NHTSA to implement tire related provisions from the “Tire, Efficiency, Safety and Registration Act of 2015” and directs NHTSA to report to Congress on the agency’s schedule and plan for promulgating regulations regarding tire efficiency as directed by the FAST Act.
- The explanatory statement also “encourages NHTSA to work with stakeholders on vehicle electronics and cybersecurity challenges, including the development of objective cyber risk evaluation methods that may be applied to a motor vehicle and its associated information sharing eco-systems.”

Source: Auto Care Association