

March 2020 – Printer Friendly



Thank you for reading the “printer friendly” version of the MHA’s monthly **eHELPS** newsletter. If you would like to receive **eHELPS** via email, please send your request to ehelps@midwesthardware.com.

In this issue:

- **Standing Up for Hardware**
 - **Family First Coronavirus Response Act Signed into Law**
 - **Due Date for Federal Income Tax Payments Extended to July 15**
 - **End of Wisconsin Legislative Session Begins Lawmaker Shuffle**
 - **Service Spotlight: Forklift Workshop DVD Training**
 - **Sales Trends (January 2020)**
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Standing Up for Hardware

John Haka, MHA Managing Director

What will happen next? Fears over the coronavirus pandemic have led to unprecedented actions by federal, state and local governments. Schools have been closed. Nearly all organized extracurricular activities have been cancelled. Travel is restricted. Restaurant, bars, and other select private businesses have been forced to shut down. Allowable gathering sizes have shrunk from 250, to 50, to 10.

Now, the term “shelter in place” is being used. I’m not exactly sure what that means in terms of further restrictions. Will police or civil authorities be going house-to-house to take inventory of who is there, and who is not?

The economic consequences of the actions taken to flatten the curve are drastic. They really cannot be measured right now, and probably not for quite some time. No, I’m not talking about the stock market. I’m talking about Main Street businesses who need to scratch out an existence and simply find a way to survive while new government mandates and allowable social behaviors change by the hour.

Locally owned retail hardware stores have always been a source of steadiness and dependability. They've always been there to support their customers and their communities in times of greatest need. In the past it may have been a fire, flood or tornado. While the current crisis is on a larger scale, hardware stores still play the same role.

MHA has been working to make sure that state and local officials understand just how essential hardware stores are. As more and more restrictions are placed on an increasing number of businesses, it's essential that hardware stores continue to be allowed to serve their communities. We've reached out the governors of the states we serve and communicated this message.

I applaud the North American Retail Hardware Association (NRHA) for bringing together the CEO's of most of the largest distributors in our industry to **jointly sign a statement** and speak with a collective voice.

As we've always done, MHA will continue to advocate for our members and for independent retail hardware stores, regardless of your location, wholesaler affiliation or other operational differences. More than ever, we appreciate the tremendous support we've always received from you, our members. Together, we will see our way through this and come out even stronger on the other side.

Family First Coronavirus Response Act Signed into Law

Congress has passed, and President Donald Trump has signed, the **H.R. 6201 Families First Coronavirus Response Act**. Now that the President has signed the bill, it is scheduled to go into effect in 15 days. It includes two major provisions with respect to employee's time away from work if that time away is related to the current COVID-19 outbreak.

First, the existing Family Medical Leave Act (FMLA) has been greatly expanded. Second, a new Emergency Paid Sick Leave Act has been enacted. These new regulations could affect employers of all sizes, from those with 1 or 2 employees to others with up to 500.

Businesses are scheduled to receive employment tax credits for 100 percent of what they pay out to employees under the new law, within the limits outlined. Also, both provisions allow for the Secretary of Labor to exempt businesses with 50 or fewer employees if adhering to the new requirements "jeopardizes the viability" of the business. It is unclear at this time how lenient the Trump administration will be in allowing exemptions.

Details of the two new major provisions are outlined below.

Emergency Family and Medical Leave Expansion Act

Employer Threshold:

Employers with fewer than 500 employees.

Covered Employee:

An employee who has been employed for at least 30 days by the employer is eligible for the new leave entitlement.

FMLA Paid Leave Mandate:

Requires all employers to provide employees paid leave because of a “qualifying need related to a public health emergency.”

The first 10 days for which an employee takes the “emergency” FMLA leave may consist of unpaid leave. However, an employee may elect to substitute any accrued vacation leave, personal leave, or medical or sick leave provided by the employer in lieu of this unpaid leave, including utilizing the two weeks of mandated Emergency Paid Sick Leave outlined below. The remainder of emergency FMLA leave taken by an employee must be paid leave provided by the employer. Therefore, a covered employer must provide at least 10 weeks of qualifying paid emergency FMLA leave to a covered employee.

Qualifying Need Related to Public Health Emergency:

An employee may only take the “emergency” FMLA leave if the employee is unable to work (or telework) due to a need to care for the employee’s child if the child’s school or place of care has been closed due to a public health emergency.

Public Health Emergency:

An emergency with respect to COVID-19 declared by a federal, state, or local authority.

Employer Pay Calculation:

FMLA Paid Leave must be at least two-thirds of an employee’s regular rate of pay and reflect the number of hours an employee would otherwise be normally scheduled to work. The paid leave shall not exceed \$200 per day and \$10,000 in the aggregate.

Special Rules for Certain Employers:

An employer with fewer than 50 employees is not subject to a private right of action brought by an employee under the FMLA’s civil enforcement provisions, including for damages and attorney’s fees.

Regulatory Relief for Certain Employers:

The Secretary of Labor is given the authority to issue regulations for good cause to exempt employers with fewer than 50 employees from the requirements of FMLA Paid Leave if such requirements would jeopardize the viability of the business as a going concern.

Employee Positions:

Employers with fewer than 25 employees are not required to restore the employee to their position upon completion of emergency FMLA leave if: (1) the position does not exist due to economic conditions caused by the public health emergency; (2) the employer makes reasonable efforts to restore the employee to an equivalent position; and, (3) an equivalent position does not become available in the following year.

Expiration of Emergency FMLA Expansion Act:

These requirements expire on December 31, 2020.

Emergency Paid Sick Leave Act

Employer Threshold:

Employers with fewer than 500 employees.

Covered Employee:

All employees because of a qualifying need related to a coronavirus public health emergency.

Emergency Paid Sick Leave Requirement:

The employer shall immediately provide each employee two weeks of paid sick leave to the extent that the employee is unable to work (or telework) because of the following reasons related to COVID-19:

1. The employee is subject to a federal, state, or local quarantine or isolation order;
2. The employee has been advised by a health care provider to self-quarantine;
3. The employee is experiencing symptoms of COVID-19 and seeking a medical diagnosis;
4. The employee is caring for an individual to which points 1 or 2 apply;
5. The employee is caring for a child if the child's school or place of care has been closed due to COVID-19 precautions; or,
6. The employee is experiencing any other substantially similar condition specified by the Secretary of Health and Human Services in consultation with the Secretaries of Labor and the Treasury.

Compensation for Care of Family Members:

With respect to any paid sick time used by an employee for the care of a family member described in points 4-6 above, required compensation is two-thirds of the employee's regular rate of pay.

Pay Calculations:

An employee is entitled to the equivalent of two weeks of paid sick leave. For part-time and hourly employees, this equals the number of hours such employee works on average over a two-week period. For full-time employees, this equals 80 hours. Paid leave under this Act shall not exceed \$511 per day and \$5,110 in the aggregate for uses described in points 1-3, and \$200 per day and \$2,000 in the aggregate for uses described in points 4-6.

Carryover:

Paid sick leave shall not carry over from one year to the next.

Leave Sequencing:

An employer may not require an employee to use existing paid leave provided by the employer before the employee uses the two weeks of paid leave available under this provision.

Employer Exemptions:

The Secretary of Labor is given the authority to issue regulations for good cause to exempt businesses with fewer than 50 employees from the requirements of the above point 5 when the imposition of such requirements would jeopardize the viability of the businesses as a going concern.

Expiration of Emergency Paid Sick Leave:

These requirements expire on December 31, 2020.

Due Date for Federal Income Tax Payments Extended to July 15

From: CCH Tracker News

The Treasury Department and IRS are extending the due date for the payment of federal income taxes otherwise due on April 15, 2020, until July 15, 2020, as a result of the ongoing coronavirus (COVID-19) emergency. The extension is available to all taxpayers and is automatic. Taxpayers do not need to file any additional forms or contact the IRS to qualify for the extension.

The ***filing deadline for tax returns remains April 15, 2020***, and the relief only applies to the payment of federal income taxes. Penalties and interest on any remaining unpaid balance will begin to accrue on July 16, 2020. The extension is not available for the payment or deposit of any other type of federal tax.

The relief is available for federal income tax payments, including payments of tax on self-employment income, otherwise due on April 15, 2020. Thus, it applies to the payment of federal income taxes for the 2019 tax year, as well estimated income tax payments for the 2020 tax year that are due on April 15, 2020.

The IRS has reminded taxpayers that if the April 15, 2020, filing deadline cannot be met, they are eligible to request a six-month extension to file an income tax return.

However, taxpayers do not need to request an extension to file to receive the automatic extension for the payment of federal income taxes otherwise due on April 15, 2020.

Taxpayers are urged to check with their state tax agencies for details of any delays in filing and payment of state taxes.

Penalties and Interest

Any interest, penalty, or addition to tax for failure to pay federal income taxes postponed will not begin to accrue until July 16, 2020. The period from April 15, 2020, to July 15, 2020, will be disregarded but only for interest, penalties, or additions to tax up to maximum dollar amounts (\$1 million/\$10 million).

Dollar Limits

The due date for making federal income tax payment otherwise due April 15, 2020, for any taxpayer is automatically extended until July 15, 2020. The extension is limited to a maximum applicable amount of:

- up to \$1 million for individuals, regardless of filing status, and other unincorporated entities such as trust and estates; and
- up to \$10 million for each C-corporation that does not join in filing a consolidated return or for each consolidated group.

End of Wisconsin Legislative Session Begins Lawmaker Shuffle

By Misha Lee, MHA Wisconsin Lobbyist

The Wisconsin State Assembly has already adjourned its regular business session. Due to concerns over the coronavirus pandemic, the State Senate has postponed its final March session day and is now considering a virtual session.

With the end of the legislative session fast approaching, a number of incumbent lawmakers have announced their plans for the upcoming 2020 election cycle. Several legislators are either retiring or seeking higher office. Here is the latest:

Longtime advocate for Main Street retailers, **Senator Luther Olsen (R-Ripon)**, announced he will retire at the end of 2020 after serving 26 years in the Legislature. Olsen was elected to the Senate in 2004 and had previously served in the Assembly for a decade. Following Olsen's announcement, **State Representative Joan Ballweg (R-Markesan)** said that she will run to replace Olsen for the 14th Senate District.

Representative Deb Kolste (D-Janesville) announced on the final day of session that she will not seek re-election to the 44th Assembly District in southern Wisconsin. Kolste comes from the health care arena. Northwoods **Senator Tom Tiffany (R-Minocqua)** is running for Wisconsin's 7th Congressional District in a special election this spring. After easily advancing in the Republican primary against fellow GOP opponent, Jason Church, Tiffany is expected to win the special election in May which will leave his State Senate seat open. Current small business owner, **Representative Mary Felzkowski (R-Tomahawk)**, announced she will run to succeed Tiffany in the 12th Senate District. Felzkowski currently represents the 35th Assembly District.

Dane County **Senator Mark Miller (D-Monona)** announced he won't run for re-election in 2020. Miller has served in the Legislature since 1998. **Representative Melissa Sargent (D-Madison)** of the 48th Assembly District in Madison has already announced plans to run for this heavily Democratic seat and is currently unopposed. After holding the seat for 20 years, **Senator Dave Hansen (D-Green Bay)** announced he will not run for re-election in the 30th Senate District in northeast Wisconsin. Sen. Hansen's nephew, Jonathon Hansen, has announced he will run for the open seat. This district is potentially a top target for Senate Republicans to flip, although no Republican candidates have emerged yet. The younger Hansen will benefit slightly in the election from the coattails of his uncle. This will be a seat to watch closely in the ramp-up to November.

Small business owner **Representative Bob Kulp (R-Stratford)** also announced his retirement from the Legislature. Kulp was first elected to represent the 69th Assembly District in a special election in November 2013. **Representative Rob Stafsholt (R-New Richmond)** will not run for re-election in the 29th Assembly District and instead has decided to run for the 10th Senate District against Democratic incumbent Senator Patty Schachtner (D-Somerset). This Senate district is up for grabs. Former Oshkosh Trucking Corporation executive **Representative Mike Rohrkaste (R-Neenah)** announced that he will not seek re-election to the 55th Assembly District in the Fox Valley. Instead, Rohrkaste will focus on his new job as executive director of the Fox Valley Memory Project. This seat is expected to remain under Republican control.

Veteran **Senate Majority Leader Scott Fitzgerald (R-Juneau)** is running for Wisconsin's 5th Congressional District and is unopposed in the August Republican primary. The path for Fitzgerald is likely clear for a win in this heavily Republican seat that has been home to longtime Republican Congressman Jim Sensenbrenner for 42 years. Fitzgerald's 13th Senate District is not up for election this year, so a special election would be called in 2021 to replace him. Also running for U.S. Congress in 2020 is **Representative Amanda Stuck (D-Appleton)** who is challenging incumbent Republican Congressman Mike Gallagher (R-Green Bay) for the 8th Congressional District in northern Wisconsin. Following Stuck's announcement, Lee Snodgrass announced she will run for Stuck's open seat in the 57th Assembly District which is considered a strong-leaning Democratic seat.

What effect the coronavirus outbreak will have on the scheduled April 7 spring elections is still unclear. As of this writing, state officials are saying spring elections will go on as scheduled. The cleanest way to move away from the April 7 date

would be for the Legislature to pass a law changing it. That would require Republicans who control the Legislature and Democratic Governor Tony Evers to get on the same page - something they have rarely been able to do.

In 2020, Wisconsin voters are scheduled to cast their vote for the following key elections:

- U.S. President (including Presidential Preference Primary on April 7th)
- All 99 Wisconsin State Assembly districts
- Odd-numbered (1-33) Wisconsin State Senate districts
- All 8 U.S. House of Representatives districts
- State Supreme Court seat (non-partisan Spring election on April 7)

Wisconsin does not have a statewide gubernatorial or U.S. Senate race in 2020.



Forklift Workshop DVD Training

The Occupational Safety and Health Act of 1970 requires employers to have formal and practical training and evaluation for all forklift operators. Once initial training is conducted, employers must then evaluate each operator at least once every three years. The Forklift Workshop DVD Training can help you meet OSHA forklift training requirements.

The Forklift Workshop DVD is an innovative approach on education new and veteran operators on proper forklift safety procedures as required by OSHA. The workshop contains everything necessary, such as a 35 minute DVD, trainer's tools on CD-ROM, operator's handbook, quizzes, forklift poster, and more!

Contact Jordan Firkus at 800-888-1817 ext. 301, jordanf@midwesthardware.com or Andrea Ramage at 800-888-1817 ext. 365, andrear@midwesthardware.com.

Testimonials

“The Forklift Workshop DVD is a handy tool. It includes basic information to help train new forklift operators and provides a heads up on possible safety issues. The video and material provided make training quick and easy.”

Mike, Manager
United True Value
Oconto Falls, WI

“We purchased the forklift training DVD system after a surprise OSHA visit as a necessity. Among the things we were fined and cited for was failure to have a formal and well-documented forklift training program. We purchased the forklift DVD training program from the Midwest Hardware Association to become compliant and avoid additional penalties.”

Matt Johnson
Johnson’s Hardware & Rental
Mora, MN

Sales Trends (January 2020)

Here are the most recent Illinois, Minnesota-Dakotas, and Wisconsin hardware store sales trends, gathered from association members using the MHA’s monthly accounting service. The figures derived for each region includes sales data from the following number of stores:

Illinois - 23 stores
Minnesota-Dakotas - 13 stores
Wisconsin – 77 stores

	Month	YTD
Illinois	-19.10%	-19.10%
MN-Dakotas	-7.52%	-7.52%
Wisconsin	-1.30%	-1.30%
