SMRCA Roving Roofer

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Issue 1

The SECURE Act is effective January 1, 2020

The "Setting Every Community Up for Retirement Enhancement Act of 2019" (the "SECURE Act" or "Act") was signed into law on December 20, 2019. The Act takes effect January 1, 2020. The Act makes significant changes to the rules relating to 401(k) plans and IRAs. Here are the most important changes for employers sponsoring 401(k) plans and owners of IRAs:

<u>No more "Stretch IRA" (with a few exceptions)</u>. The Act changed the rules for how an IRA must be distributed after its owner dies. IRA owners with a date of death before January 1, 2020 could name a young person (e.g. a grandchild) as an IRA beneficiary and significantly extend the period in which IRA investments remain tax deferred. This is because required distributions from the IRA were based on the life expectancy of the grandchild beneficiary rather than the IRA owner.

Effective January 1, 2020, a named IRA beneficiary will be required to take taxable distributions by the end of a ten year period following the death of the IRA owner. The above rule does not apply to spouses, disabled beneficiaries, beneficiaries while they are minors or beneficiaries that are less than ten years younger than the IRA owner.

This rule change represents a dramatic shift in the taxation of IRAs and is a significant revenue generator for the U.S. Treasury (estimated at 16 billion dollars over the next ten years). A significant amount of time and thought has gone into estate planning involving IRAs, including "conduit" and other trusts to manage and preserve IRA assets for the benefit of young (and perhaps less disciplined) beneficiaries. Much of this planning may go out with the noisemakers and party favors of New Years Eve 2019. Anyone owning an IRA on January 1 should review their estate planning documents and contact legal counsel to discuss what changes need to be made.

<u>IRA contribution age cap eliminate mandatory distribution age increased to 72:</u> The Act eliminates the cap on how long an IRA owner can make tax deductible contributions to an IRA. A taxpayer previously could not contribute after age 70 $\frac{1}{2}$. The change is motivated by the fact that people are working longer (allowing continued contributions) and also by changes in life expectancy (requiring greater retirement savings). The Act also increases the age at which IRA owners are required to begin taking taxable mandatory distributions from age 70 $\frac{1}{2}$ to age 72.

<u>Employers can adopt 401(k) plans after end of year and still deduct:</u> Employers often sign 401(k) plans at the 11th hour before yearend in order to be able to contribute expected profits to the new plan and take a tax deduction for that year. The Act allows an employer to adopt a plan for a given year by the due date of the employer's tax return for the year. Tax returns for partnerships and corporations are due on the 15th day of the third month following the end of the tax year and can be extended for an additional six months. This allows for a determination of company profits and a more reasoned decision to establish a 401(k) plan and take a deduction.

<u>"Safe harbor" 401(k) plans simplified:</u> "Safe harbor" 401(k) plans allow employers to avoid complicated annual discrimination testing by making a flat percentage contribution or match for each eligible plan participant. The rules previously required employers give participants written notice 30 days before the beginning of a plan year in which an employer intended to make a safe harbor contribution. Under the Act, an employer can decide to make a safe harbor contribution anytime during the year up to 30 days before the end of the year. Additional time is afforded (up to the end of the following year) if the employer provides a higher flat percentage contribution (four percent instead of the three percent typically required). The new rule provides an employer more time and flexibility in the use of safe harbor contributions which will likely benefit both employers and employee participants.

Long-term part time employees required to be included: Prior to the Act, an employer could exclude from plan eligibility any employee

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that worked less than 1000 "hours of service" in a year. Employers must now also include employees that work 500 or more hours of service in three consecutive years. Employers can still exclude the part time employees for various testing purposes, preserving certain plan design flexibility. The new rule provides retirement benefits to a class of employees that could be excluded.

<u>Use of annuities by plan sponsor:</u> The Act provides a safe harbor for employers that include annuities as plan investments. The safe harbor protects employers from liability if an annuity provider fails and cannot provide promised annual payments to plan participants. The selection of an annuity by an employer is a fiduciary act that could give rise to liability absent the safe harbor. A separate provision within the Act allows a "plan to plan" transfer of annuities by departing participants, allowing qualified tax-free transfers of annuity contracts among plans.

<u>Changes affecting 403(b) Plans</u>: The Act directs the Secretary of the Treasury to produce guidance relating to the distribution of 403 (b) accounts from terminated plans. Under the guidance to be issued, a 403(b) account can be distributed in kind to a participant but maintained by a custodian on a tax-deferred basis until amounts are actually paid to the participant or beneficiary. The Act requires guidance be provided by the Treasury within six months of the date of the Act.

<u>Required disclosure relating to lifetime income:</u> The Act requires that benefit statements provide what annual amount will be payable to a participant if the participant's account balance is used to purchase an annuity. The statement must include the values for various forms of annuities including single life and joint and survivor annuities. The DOL is expected to provide model disclosure statements and assumptions that will protect employers from liability if used. Notices that require the lifetime income information must be distributed to participants at least once in a twelve-month period.

<u>Multi-Employer Plans</u>: Effective in 2021, unrelated employers can join a pooled employer retirement plan. The Act eliminated the "one bad apple" rule that disqualified an entire plan if one employer did not take required actions. The Act also eliminated the requirement that employers be part of the same industry to participate in a pooled plan. Each employer remains responsible for choosing the pooled plan and for monitoring the plan's fiduciary. The delayed effective date is likely related to on-going litigation involving Association Health Plans which are based on similar criteria. Employers contemplating the use of a pooled plan should contact legal counsel to discuss the risks and benefits of adopting such a plan.

<u>Other changes:</u> The Act allows participants to make penalty-free withdrawals from retirement plans in the case of a birth or adoption. The Act expands 529 plans to cover costs associated with elementary, secondary, religious schools and homeschooling. The act increases penalties for an employer's failure to timely file Form 5500.

<u>Recommendation</u>: The SECURE Act makes significant changes to the way in which 401(k) plans and IRAs are administered, held and distributed. If you are an employer that sponsors a 401(k) plan or you own an IRA, we encourage you to speak to your attorney about what changes to your plan or IRA will need to be made.

By Liam Healy

Contact Kerr Russell at 313-961-0200 for questions or assistance on these regulatory changes or other business needs.



APRIL 21-22, 2020 Washington Marriott Wardman Park

ROOFING DAY IN D.C

Join fellow roofing professionals in Washington, D.C., as we take our message to Capitol Hill! It is important members of Congress see you and hear from you about the critical issues facing your company. To be seen and heard, we need the industry speaking with one voice in Washington, D.C.! Don't miss this opportunity to make a difference for your business and our industry!

For more information contact NRCA's Washington, D.C. office

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February 12 & 13, 2020 Suburban Collection Showplace NON Novi, MI

The Construction Association of Michigan and Home Builders Association of Southeastern Michigan have joined forces to host Michigan's largest construction industry event!

This two-day EXPO will bring together residential and commercial contractors, designers, suppliers and service providers, offering networking opportunities and free business building workshops designed to support the continued success of Michigan's building industry.

Show Hours:

Wednesday, February 12 10:00 am -7:00 pm Thursday, February 13 10:00 am -3:00 pm

Stop by and see the SMRCA & Roofers Union Local 149 at booth 1036.

To register online: www.miconstructionexpo.com

Amendments to Construction Safety Standard Part 10 Cranes & Derricks

MIOSHA has amended Construction Safety Standard Part 10 Cranes & Derricks, effective September 16, 2019. This is to reflect changes that occurred to the Federal Standard in November 2018.

The specific rules that changed are:

- 1926.1427—Operator Training, Certification and Evaluation
- 1926.1430—Training

Visit <u>https://www.michigan.gov/leo/0,5863,7-336-78421_11407_15368</u> ----,00.html to view a copy of the revised standard.

Amendments to ADM Part 11. Recording and Reporting of Occupational Injuries and Illnesses

MIOSHA has amended ADM Part 11. Recording and Reporting of Occupational Injuries and Illnesses, effective September 19, 2019. This is due to revised federal regulation 1904.41, in order to be at least as effective as the Federal Occupational Safety and Health Administration (OSHA) standards.

Visit <u>https://www.michigan.gov/leo/0,5863,7-336-78421 11407 15368</u> -509031--,00.html to view a copy of the revised standard.

2020 SMRCA Golf Outing

~ SAVE THE DATE ~

2020 SMRCA Annual Golf Outing will be held at Twin Lakes Golf Club

> on Monday, May 18, 2020



2020 MiRCA Convention

~ SAVE THE DATE ~



2020 MiRCA Annual Convention will be held at Boyne Mountain Resort—July 23-26, 2020

Amendments to CS Part 601. Air Contaminants for Construction

MIOSHA has amended CS Part 601. Air Contaminants for Construction, effective September 20, 2019.

MIOSHA is in the process of creating a new standard for Beryllium in Construction, Part 640. This necessitated a change to Part 601. Air contaminants for Construction to include the new limits for Beryllium.

The new limits for Beryllium will be:

2.0 ug/mg³ for the short term exposure limit (STEL) 0.2 ug/m³ for the Permissible Exposure Limit (PEL)

Visit <u>https://www.michigan.gov/leo/0,5863,7-336-78421_11407_15368</u> -509037--,00.html to view a copy of the revised standard.

IRS issues standard mileage rate for 2020

Beginning on January 1, 2020, the standard mileage rates for the use of a car, van, pickup or panel truck will be: 57.5 cents per mile for business miles driven (down from **58 cents** in 2019) 17 cents per mile driven for medical or moving purposes (down from 20 cents in 2019)

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Registration for Roofing Day in D.C. 2020. Join your roofing industry colleagues for Roofing Day in D.C. 2020 April 21-22. Don't miss the premier industry-wide advocacy event, which brings together the entire industry supply chain to speak with one voice in Washington, D.C. Congress needs to hear from the roofing industry regarding key issues of importance, such as addressing workforce shortages and promoting energy-efficiency technologies in residential and commercial buildings. The event will begin April 21 at 3 p.m. at the Washington Marriott Wardman Park hotel with a guest speaker and an advocacy training session followed by a networking reception. On April 22, participants will head to meetings with lawmakers on Capitol Hill to discuss the industry's legislative priorities. Events will conclude with a reception at the Top of the Hill ballroom at the Reserve Officers Association, which overlooks the Capitol and the National Mall. All Capitol Hill meetings will be scheduled for participants, and all materials will be provided. For more information, please contact NRCA's Washington, D.C., office at (800) 338-5765 or register online https://www.nrca.net/advocacy/ roofingday

Don't miss ROOFPAC events in Dallas. NRCA members can support ROOFPAC at two exciting events during NRCA's 133rd Annual Convention and the 2020 International Roofing Expo® in Dallas. NRCA is partnering with National Women in Roofing for ROOFPAC's "An Evening in the Lone Star State" Feb. 3 from 4-7 p.m. After a reception with open bar and hors d'oeuvres, attendees will be entertained by comedian William Lee Martin, who will keep you laughing throughout the evening. There also will be a live auction of unique items to benefit ROOFPAC, the voice of the roofing industry in Washington, D.C. At IRE, be sure to stop by NRCA's booth. No. 5715, for the ROOFPAC Silent Auction, where participants can bid on great deals, including fantastic trips, jewelry, electronics and other items. The Silent Auction runs Feb. 4 from 11 a.m. to 5 p.m. and Feb. 5 from 11 a.m. to 4 p.m.. Please note members not traveling to Dallas may participate in the silent auction by bidding on items with their smartphones or personal computers starting Jan. 21 here: www.roofpac20.givesmart.com. For more information about the ROOFPAC events, please contact NRCA's Washington, D.C., office, at (800) 338-5765.

Congress approves increased funding for career and technical education. In late December 2019, Congress approved appropriations legislation for fiscal year 2020, which includes \$1.283 billion for Perkins Career and Technical Education Act state grants. The grants provide funding for CTE programs crucial to addressing the roofing industry's workforce needs. This funding allocation represents an increase of \$20 million more than fiscal year 2019 funding. NRCA advocated for the increase in funding to maximize the effectiveness of the Strengthening Career and Technical Education for the 21st Century Act, CTE reform legislation enacted by Congress in 2018. NRCA believes stronger investments in Perkins grants are critical to expanding CTE and providing new strategies to help employers address future workforce development needs.

H-2B seasonal guest worker program. The appropriations legislation approved by Congress in late December 2019 contains an amendment that will allow the Department of Homeland Security to

issue additional visas for the H-2B seasonal quest worker program for fiscal year 2020. Currently, the number of visas is limited statutorily to 66,000 annually, and Congress has been unable to pass legislation to permanently increase the visa cap despite support for the increase from NRCA and other groups in the H-2B Workforce Coalition. The appropriations amendment is the same action Congress has taken during the past three years to address high demand for H-2B visas in an attempt to address seasonal workforce shortages. Last year, DHS used the authority delegated by Congress to provide an additional 30,000 visas, which was well short of the more than 100,000 requested, and DHS also added new restrictions regarding how the additional visas may be used. NRCA and coalition groups recently sent a letter to Acting DHS Secretary Chad Wolf, urging him to immediately release additional visas to the maximum extent allowed under the new authority. Employers submitted more than 96,400 visa requests on the first two days applications could be accepted for the 33,000 visas now available for the second half of fiscal year 2020.

Terrorism Risk Insurance Act. The appropriations legislation approved by Congress in late December 2019 contains language to reauthorize the Terrorism Risk Insurance Act for seven years through Dec. 31, 2027. TRIA has been supported by NRCA and other members of the Coalition to Insure Against Terrorism for the purpose of maintaining the viability of terrorism risk insurance. The law was first enacted after the Sept.11, 2001, terrorist attacks to ensure businesses can continue to obtain comprehensive terrorism insurance, especially in the fields of commercial real estate, banking, energy, construction, manufacturing and transportation. The new reauthorization also requires an examination of the evolving risk of cyberterrorism and recognizes the critical importance of ensuring the stabilization of markets under TRIA remains in place while keeping an eye on evolving risks and potential market effects.

U.S.-Mexico-Canada free trade agreement. On an overwhelming vote of 385-41, the House approved legislation to implement the US-Mexico-Canada Agreement, which updates the North American Free Trade Agreement of 1994. House passage capped more than a year of intense negotiations between House Democrats and the Trump administration in which the administration agreed to tougher enforcement tools for labor standards requested by Democrats and organized labor groups. The USMCA appears to have strong bipartisan support in the Senate and is expected to be voted on after the Senate's pending impeachment trial. Enactment of the USMCA will be a victory for President Trump and many freshmen House Democrats who face tough reelection battles in November. The strong vote in favor of the USMCA demonstrates bipartisan accomplishments regarding major issues still are possible, even in an era of hyper partisanship, and signals to the rest of the world the U.S. remains committed to an expansive trade policy.

New IRS tax tables and inflation adjustments. The IRS released Revenue Procedure 2019-44, which provides updated inflation adjustments for tax year 2020 for numerous items in the Internal Revenue Code. This includes updated limits to section 179 expensing, which allows qualifying businesses to immediately expense the cost of qualifying property rather than recovering such costs over multiple years through depreciation. The Tax Cuts and Jobs Act of 2017, with NRCA's support, included nonresidential roofs as qualifying property

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under Section 179, allowing qualifying taxpayers to deduct the cost of a roof replacement in the year the asset is placed in service. The TCJA also expanded the expensing limits under Section 179, and the IRS has updated the maximum amount a business may expense in 2020, indexed for inflation, to \$1.04 million, and the phase-out threshold increased to \$2.59 million. Revenue Procedure 2019-44 can be found at https://www.irs.gov/pub/irsdrop/rp-19-44.pdf . The IRS also launched a new online assistant designed to help employers-especially small businesses-easily determine the correct amount of federal income tax to withhold from workers' pay. The tool is aimed at helping employers transition to the updated Form W-4 to be used beginning in 2020 and can be found https://www.irs.gov/businesses/small-businessesat self-employed/income-tax-withholding-assistant-foremployers

Final rule issued on joint employer standard. The Department of Labor released its final rule updating the regulations interpreting joint employer status under the Fair Labor Standards Act, which requires covered employers to pay their employees at least the federal minimum wage for every hour worked and overtime for every hour worked exceeding 40 hours per week. The new regulation provides that corporations are liable when they have "direct control" over another employer's policies, which differs from the Obama administration's joint employer standard that allowed for unexercised or even potential control to trigger joint employer status. The final rule adopts a four factor test to determine whether two or more entities are joint employers of a group of employees. NRCA had joined the Coalition for a Democratic Workplace in filing generally supportive comments on the proposed version of the rule in 2019, and the final rule is consistent with the coalition comments. The final rule, which will be published in the Federal Register Jan. 16, takes effect March 16 and can be found at https://s3.amazonaws.com/publicinspection.federalregister.gov/2019-28343.pdf.

Small-business size standards. The Small Business Administration published a final rule modifying the method used by small businesses to calculate average annual receipts used to prescribe size standards for agency programs. Under the final rule, small businesses may now calculate the size of their businesses on an average of gross receipts over five years, which is an increase from the current three-year limit. The final rule was issued in accordance with the Small Business Runway Extension Act of 2018 (H.R. 6330), which was signed into law in December 2018 and is intended to lessen the effects of unexpected and rapid growth experienced by small businesses in qualifying for SBA and other federal programs. The agency has adopted a two-year phase-in period-until Jan. 6, 2022-to allow businesses to determine whether to use three or five years in calculating the size of their businesses. This change does not pertain to SBA Business Loan and Disaster Loan programs; the

agency will issue separate regulations regarding those programs. This final rule took effect Jan. 6. <u>https://www.federalregister.gov/documents/2019/12/05/2019-26041/small-business-size-standards-calculation-of-annual-average-receipts</u> for further information.

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Section 529 legislation introduced in the House. Reps. Abigail Spanberger (D-Va.) and Rob Wittman (R-Va.) recently introduced the Freedom to Invest in Tomorrow's Workforce Act (H.R. 5339). This new legislation would allow beneficiaries of tuition savings plans under Section 529 of the tax code to use the tax-deferred funds for costs associated with obtaining or maintaining any postsecondary credential, including a professional certification. This legislation is designed to provide individuals with 529 plans with more educational and career opportunities, including those in the roofing industry. The Professional Certification Coalition, of which NRCA is a member, helped to draft the bill, and similar legislation (S. 379) has been introduced in the Senate by Sen. Amy Klobuchar (D-Minn.). The PCC recently formed for the purpose of addressing legislative and regulatory initiatives that affect professional certification programs, such as NRCA's ProCertification[™] and those who hold private certification credentials, and will be working in support of this new legislation in the future.

If you have any questions or would like more information regarding any of the issues discussed here, please contact NRCA's Washington, D.C., office at 800-338-5765.



https://www.cpwr.com/sites/default/files/publications/Cold%20Weather%20Web%20HazAlert.pdf

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Birthday Wishes

Dan Casey T.F. Beck Company January 7

Joe Crane Crane Roofing, Inc. January 22

Chuck Rosa Lifetime Member February 16

Jim Bieszki Architectural Building Specialties Inc. March 6

> Dennis Cyr North Roofing Company March 31

Happy Anniversary

Dennis & Katie Cyr North Roofing Company March 2



Our deepest sympathy's are extended to family and friends of:

×"

C. Kim Emery CRS

Upcoming Industry Trade Shows 2020

Feb. IRE Dallas, TX www.theroofingexpo.com
Feb. SPFA 11-14 Pasadena, CA www.sprayfoam.org
Mar. NERCA 24-27 Atlantic City, NJ

www.nerca.org

Mar. IIBEC 26-31 Houston, TX

www.iibec.org

MCA releases new metal flashings test standard

On Oct. 3, the Metal Construction Association released ANSI/MCA FTS-1-2019, "Test Method for Wind Load Resistance of Flashings Used with Metal Roof Systems," a new standard for testing the performance of metal flashings used with metal roof systems.

Properly designed and installed metal roof systems can withstand high winds, but when metal roof system failure does occur, flashing failure commonly is a contributing factor. MCA launched an initiative to investigate flashing failures on metal roof systems and create a standard to help prevent future occurrences.

"The locations of these flashings are where the highest wind uplift pressures occur, so it's critical they're designed manufactured and installed to resist those higher wind pressures," says Bob LeClare, director of perimeter edge metal business for ATAS International Inc., Allentown, Pa.

ANSI/MCA FTS-1-2019 has four sections: test apparatus, test specimen, loading procedure and test report. The standard is available to specifiers and manufacturers of metal roof systems to help assure proper performance of edge flashings used with metal roof systems.

ANSI/MCA FTS-1-2019 is available on MCA's website, www.metalconstruction.org in the resources section.

NSC releases opioid resources for employers

For the first time in U.S. history, a person is more likely to die from an accidental opioid overdose than a motor vehicle crash, according to the Occupational Safety and Health Administration. Seventy-five percent of employers report being directly affected in some way by employee opioid misuse yet only 17% feel extremely prepared to address the issue.

To close the gap, the National Safety Council has developed the Opioids at Work Employer Toolkit, a suite of materials for employers that include resources for four specific groups found in a typical workplace setting: supervisors, human resources professionals, safety professionals and employees.

The toolkit includes sample policies, fact sheets, presentations, safety talks, posters, white papers, reports, videos and more so employers can implement a workplace program regarding opioids.

The materials are intended to help employers understand how opioids affect the workplace; recognize signs of impairment; educate employees regarding the risks of opioid use; develop drug-related human resources policies; and support employees struggling with opioid misuse.

The Opioids at Work Employer Toolkit is available at www.nsc.org/pages/prescription-drug-employer-kit.

JATC Training Center

The term for all Detroit Apprentices will be as follows:	
 Apprentice Two & Single Ply One	Monday evenings starting on January 20
Apprentice One & Single Ply Two	Tuesday evenings starting on January 21
BUR One	Wednesday evenings starting on January 22
BUR Two, Apprentice 7 & 8	Thursday evenings starting on January 23
All classes begin at 6:30 pm.	
Journeyworkers Skill Advancement Tr members. Dues must be current in or	aining Classes are available at no cost to all Detroit 149 der to enter the Training Center.

If you have any questions, contact the Training Center at 248-543-3847 or tjaranowski@Detroitroofers.org

SMRCA Spells the Best in Roofing Services

SAFETY	A safe jobsite is assured because SMRCA crews complete the M.U.S.T. Safety Training and Drug Testing.
MULTIPLE SERVICES	A SMRCA Roofing Contractor has the ability to provide the roof you need because of our expertise in a variety of roofing applications and techniques.
Reliable	SMRCA Contractors are Union trained professionals bringing an Industry leading standard of service, quality and knowledge to every project.
	Projects completed by SMRCA Contractors provide a Michigan roofing contractor 2 year standard workmanship warranty.
ACCOUNTABILITY	SMRCA Contractors are established companies with years of experience in providing responsive service, superior workmanship and exceptional value.

Call us today at 586-759-2140 to receive our free "Roofing Facts" brochure or contact one of the SMRCA Contractors below for a no-cost estimate on your next roofing project.

Southeastern Michigan Roofing Contractors Association Members

T. F. BECK COMPANY

Rochester Hills, MI (248) 852-9255 www.tfbeck.com

J. D. CANDLER ROOFING CO., INC. Livonia, MI (734) 762-0100 www.jdcandler.com

CHRISTEN/DETROIT

Detroit, MI (313) 837-1420 www.cdetroit.com

DETROIT CORNICE & SLATE COMPANY

Ferndale, MI (248) 398-7690 www.detroitcorniceandslate.com

LADUKE ROOFING & SHEET METAL

Oak Park, MI (248) 414-6600 www.ladukeroofing.com LUTZ ROOFING COMPANY, INC. Shelby Twp., MI (586) 739-1148 www.lutzroofing.com

M.W. MORSS ROOFING, INC. Romulus, MI (734) 942-0840 www.morssroofing.com

NEWTON CRANE ROOFING, INC. Pontiac, MI (248) 332-3021 www.newtoncraneroofing.com

NORTH ROOFING COMPANY

Auburn Hills, MI (248) 373-1500 www.northroofing.com

DAVE POMAVILLE & SONS, INC.

Warren, MI (586) 755-6030 www.PomavilleRoofing.com ROYAL ROOFING COMPANY Orion, MI (248) 276-ROOF (7663) www.royal-roofing.com

SCHENA ROOFING & SHEET METAL CO., INC. Chesterfield, MI (586) 949-4777 www.schenaroofing.com

SCHREIBER CORPORATION Wixom, MI (248) 926-1500 www.schreiberroofing.com

