



# GOVERNMENT ADVOCACY



ADVANCING THE MANUFACTURING AND SMALL BUSINESS COMMUNITIES

JUNE 2017

## Meeting with Rep. Mike Turzai, Speaker, PA House of Representatives



(Left-to-Right) Bob Graham, Ted Rogers, Jean DeFilippis, David Fair, Rep. Turzai and Abraham Moosa

SMC was very fortunate to have Representative Mike Turzai, (R-28) Speaker of the House, PA House of Representatives, meet with a small group of members and guests on May 19th at SMC Cranberry. The Representative graciously offered a “make-up” session for a missed meeting in Harrisburg on May 8th.

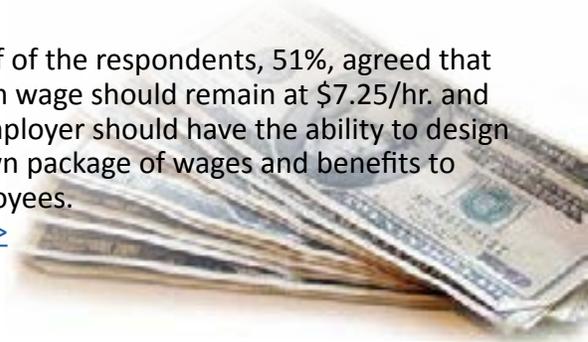
[Read More>>](#)

## Results of SMC’s Minimum Wage Survey

Governor Wolf called for an increase in the minimum wage from \$7.25 to \$12.00 per hour in his 2017-2018 budget, effective on July 1 with no phase-in period. In 2016 SMC stated that a minimum wage increase should not be mandated and recommended that businesses set their own total compensation package of wages and benefits to remain competitive and attract talent. SMC conducted a minimum wage survey and 10 organizations participated. The number of respondents totaled over 450. The goal was to determine where small employers stand in regard to Governor Wolf’s mandated increase.

- Of the respondents only 10% currently pay entry level employees the minimum wage of \$7.25/hr. The majority (55%) pay an entry wage of \$7.50 to \$10.75/hr.
- Just over half of the respondents, 51%, agreed that the minimum wage should remain at \$7.25/hr. and that each employer should have the ability to design his or her own package of wages and benefits to attract employees.

[Read More>>](#)



## The Harrisburg Grassroots Lobbying Trip, May 8, 2017

by Eileen Anderson, Director, Government Relations

Twenty-five members and guests spent the afternoon on Capitol Hill. SMC’s 4 teams had meetings scheduled with 24 lawmakers and Governor Wolf’s Director of Policy and Planning. Some points addressed during the meetings included: need for state pension reform; impact of a mandated increase in the minimum wage from \$7.25 to \$ 12.00/hour; the workforce shortage; and surprise billing/balance billing. To view SMC’s 2017 State Position Papers go to <http://smc.org/services/issues-advocacy/>.

### Reports from Teams 1-4

The meetings are led by the team captain and lawmakers/staff respond. Below are the predominant issues discussed. Some issues have seen action since May 8th.

[Read More>>](#)

## Thank you to our Sponsors

### Luncheon Underwriter

Commonwealth Foundation

### Sponsors

- C.W. Howard Insurance Agency, Inc.
- CORE Environmental Services
- Grossman, Yanak & Ford, LLP
- Guy Chemical Company, Inc.
- PINNACLE Financial Strategies, LLC
- Precision Defense Services

### Location Host

PA Manufacturers Association (PMA)





# INSURANCE AGENCY

ADVANCING THE MANUFACTURING AND SMALL BUSINESS COMMUNITIES

JUNE 2017

## Benefits **BUZZ**

Benefits tips brought to you by  
SMC Insurance Agency, Inc.

### AHCA Passes House

The American Health Care Act (AHCA) was passed by the U.S. House of Representatives on May 4, 2017. The AHCA will move to the Senate for a vote and possible amendments.

The AHCA needed 216 votes to pass in the House. It passed on a party-line vote, with 217 Republicans and no Democrats voting in favor of the legislation. It needs a simple majority vote in the Senate to pass.

### Impact on ACA Provisions

The AHCA would reduce the penalties imposed under the Affordable Care Act's (ACA) individual and employer mandate provisions to zero beginning in 2016, effectively repealing both mandates.

While individuals would not be required to obtain health insurance, beginning with open enrollment for 2019, the AHCA would allow issuers to add a 30 percent late-enrollment surcharge for applicants that had a lapse in coverage of more than 63 days during the previous 12 months. [Read More>>](#)

### DID YOU KNOW?

Generally, wellness incentives are subject to the same federal tax rules as any other employee rewards or prizes.

Cash and cash equivalents (for example, a \$100 gift card for taking a health risk assessment) are always taxable.

Another taxable example is an employer's payment of gym or health club membership fees, unless the membership qualifies as medical care.

### IRS Announces HSA/HDHP Limits for 2018

On May 5, 2017, the Internal Revenue Service (IRS) released Revenue Procedure 2017-37 to announce the inflation-adjusted limits for health savings accounts (HSAs) and high deductible health plans (HDHPs) for 2018. These limits include:

- The maximum HSA contribution limit;
- The minimum deductible amount for HDHPs; and
- The maximum out-of-pocket expense limit for HDHPs.

These limits vary based on whether an individual has self-only or family coverage under an HDHP.

[Read More>>](#)

### ACA COMPLIANCE BULLETIN

#### AFFORDABILITY PERCENTAGES WILL DECREASE FOR 2018

On May 5, 2017, the Internal Revenue Service (IRS) issued Revenue Procedure 2017-36 to index the contribution percentages in 2018 for purposes of determining affordability of an employer's plan under the Affordable Care Act (ACA). For plan years beginning in 2018, employer-sponsored coverage will be considered affordable if the employee's required contribution for self-only coverage does not exceed:

- 9.56 percent of the employee's household income for the year, for purposes of both the pay or play rules and premium tax credit eligibility; and
- 8.05 percent of the employee's household income for the year, for purposes of an individual mandate exemption (adjusted under separate guidance). [Read More>>](#)



# HUMAN RESOURCES

## Warranty Language – Does It Fit the Situation at Hand?

By Delia Bouwers Bianchin, The Lynch Law Group

In this multi-part series, we are highlighting some key contract issues for today’s business owners. The first article in the series touched on key considerations when reviewing an indemnification clause. If you missed it, you can read it here [Contract Issues for Small Business Owners - The Indemnification Clause](#). We continue the series with a discussion on warranties, and how they should be particularly crafted to the needs and desires of your specific business.

### Implied Warranty of Fitness for a Particular Purpose

You have undoubtedly come across several classic warranties in your business dealings, either because you have asked that a warranty be provided to you or because your buyer has asked you to provide one to them. One warranty that is worth highlighting is the implied warranty of fitness for a particular purpose.

*Where the seller at the time of contracting has reason to know any particular purpose for which the goods are required and that the buyer is relying on the seller’s skill or judgment to select or furnish suitable goods, there is unless excluded or modified under the next section an implied warranty that the goods shall be fit for such purpose.*

### Don’t “Over” Warrant Your Products

Under some business scenarios, it is entirely appropriate to provide this warranty to your buyer. [Read More>>](#)

## FUTURE ARTICLES

- Insurance Provision Pitfalls to Avoid
- Choice of Law and Choice of Venue – Why It DOES Matter
- The Real Implications of an Integration Clause

## Tell us what you need!

SMC Business Councils needs your input to help structure top quality programs and workshops around your educational preferences.

To understand your professional development needs, we ask you to please take a few minutes to complete this on-line training needs survey.

For information, contact Denise McKeown, SMC’s HR Director, at 412-342-1604.

Take our Quick Survey!



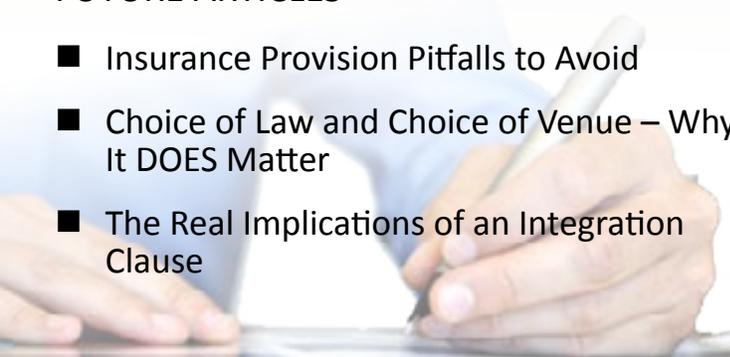
## Did you know?

UPMC HEALTH PLAN

COACH’S CORNER

# DON'T JUST SIT THERE!

Sitting for too many hours a day, day after day, can cause an array of health problems — [Read More>>](#)

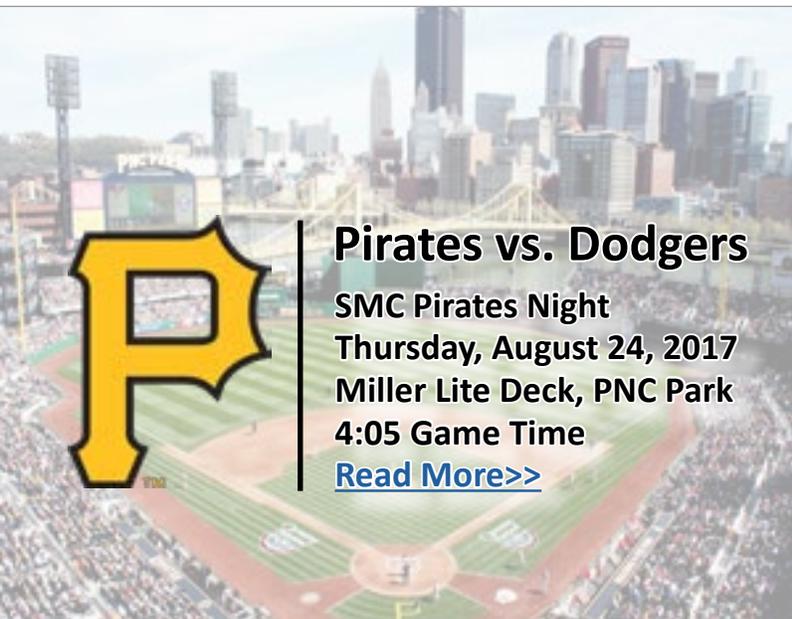




# COMMUNITY CONNECTIONS

ADVANCING THE MANUFACTURING AND SMALL BUSINESS COMMUNITIES

JUNE 2017



## Pirates vs. Dodgers

SMC Pirates Night  
Thursday, August 24, 2017  
Miller Lite Deck, PNC Park  
4:05 Game Time  
[Read More>>](#)

## Click for SMC's 2017 Calendar of



Small Business Development Center  
Duquesne University  
*Helping businesses start, grow and prosper.*

June 20, 2017  
8:30 AM  
Price \$0  
Training Event

## Export Opportunities in Mining, Construction and Energy in Peru

Peru is booming and growing at 3.5% annually. Demand for Infrastructure equipment and technology is high. Two of the world's largest copper mines, the expanded Cerro Verde and Las Bambas, located in the south of Peru, ramped up output to dramatically increase the red metal production profile of Peru. Peru's newly elected president, Pedro Pablo Kuczynski will unlock some \$20 billion in investments in **mining** and **energy**. [Read More>>](#)

Attend and Exhibit at the largest mining show in Peru: PERUMIN/ EXTEMIN scheduled for September 18-22, 2017.

Join a panel of experts from the U.S. and Peru who will be presenting up to date information on current projects.



## SMC'S SUMMER FUN GUIDE IS BACK!

Get great discounts to popular summer attractions, theme parks and more.

[Click here for your hot summer savings!](#)

*Savings are available to employers and employees of SMC member firms.*

