

THE HORN



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Bulletin No. 584

January, 2017

AAACT NEW MAILING ADDRESS!!!

Effective January 1, 2017, the new Association mailing address was changed to . . .

AAACT, Inc.
P.O. Box 97993
Raleigh, NC 27624.

Please change your records accordingly.

EXECUTIVE VICE-PRESIDENT'S MESSAGE

The AACT is losing a true professional and a great friend. Rita Wieskamp, Member Services Coordinator, is retiring at the end of February 2017 (her last day in the office is February 9th). Rita has been an Association employee since 1986, and it's hard to imagine a more dedicated employee.

Rita often comments that Association members have been great to serve and could not have been more supportive of her and her family (husband - Jerry and daughter - Kellie).

I can't put into words how special it has been to work with Rita since 1988. For years, we have not worked at the same location but communicated daily to best keep the Association members informed and served.

All of us have heard the expression "no one is irreplaceable" ... well, that theory will soon be tested. I offer nothing but best wishes to Rita and her family. Thanks for everything!!!

You can reach out to Rita at rwieskampaaact@aol.com and send your congratulations for a job well done.

-- Randy Lisk, Executive Vice President

LEGAL / LEGISLATIVE

EPA Approves 1234yf for Use on Certain Heavy-Duty Vehicles

The Environmental Protection Agency (EPA) issued a final rule on December 1, 2016, approving the use of 1234yf on certain heavy-duty vehicles, including medium-duty passenger vehicles (MDPV), heavy-duty (HD) pickup trucks and heavy-duty vans. MDPVs and HD pickup trucks and vans are Class 2b and 3 vehicles with gross vehicle weight ratings (GVWR) between 8,501 and 14,000 pounds.

The approval of the refrigerant supplements EPA's 2011 decision to approve use of 1234yf for light-duty vehicles and trucks. According to EPA, the vehicle types covered by the new rule are more similar technologically to light-duty vehicles than to trucks, and it pointed to the fact that most are manufactured in a similar manner to light-duty vehicles.

The use conditions approved by EPA for use of 1234yf in the HD vehicles are similar to those promulgated for light-duty vehicles, including unique fittings, a warning label that includes the refrigerant's identity, the fact that it's a flammable refrigerant, and requirements for engineering design strategies that include a high-pressure compressor cutoff switch and pressure relief devices.

The final rule is consistent with efforts by EPA to move manufacturers toward the use of refrigerants with a low global warming potential (GWP). The current refrigerant used on most vehicles is 134a, which has a GWP of about 1400, contrasted with 1234yf, which has a GWP of about 4.

2017 Standard Mileage Rates

Beginning January 1, 2017, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 53.5 cents per mile for business miles driven, down from 54 cents for 2016
- 17 cents per mile driven for medical or moving purposes, down from 19 cents for 2016
- 14 cents per mile driven in service of charitable organizations

The business mileage rate decreased half a cent per mile and the medical and moving expense rates each dropped 2 cents per mile from 2016. The charitable rate is set by statute and remains unchanged.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Display OSHA Form 300 Log February 1 - April 30, 2017

If you had 11 or more employees, on average, for 2016, it's time to work on your OSHA 300 log. If you have more than one location, as an employer you must keep a Log for each establishment or site.

Record only those work-related injuries and illnesses that result in: (1) Death; (2) Loss of consciousness; (3) Days away from work; (4) Restricted work activity or job transfer; and (5) Medical treatment beyond first aid. First aid is NOT recordable.

You must record: (1) Any significant work-related injury or illness that is diagnosed by a physician or other licensed health care professional; (2) Any work-related case involving cancer, chronic irreversible disease, a fractured or cracked bone, or a punctured eardrum; and (3) Any case requiring an employee to be medically removed under the requirement of an OSHA health standard.

You must consider the following types of injuries or illnesses to be privacy concern cases and NOT include the employee's name on the Log: (1) An injury or illness to an intimate body part or to the reproductive system; (2) An injury or illness resulting from a sexual assault; (3) A mental illness; and (4) Other illnesses, if the employee independently and voluntarily requests that his or her name not be entered on the log.

You must post the Summary only, NOT the log, by February 1, 2017 and keep it posted until April 30, 2017.

You must keep the Log and Summary for 5 years following the year to which they pertain. Log sheets, Summary sheets and instructions may be found at www.osha.gov/recordkeeping/new-osha300form1-1-04.pdf.

For questions, call your State Plan office: North Carolina - 919-807-2875; South Carolina - 803-734-9669; Tennessee - 615-741-2793, or call Sherry Robertson at 1-800-243-1560.

Electronic Submission of Records - Starting in 2017, many employers will be required to electronically submit the summary of injuries and illnesses to OSHA. Learn more about OSHA's rule on submitting injury and illness records electronically by visiting OSHA's website at www.osha.gov.

MANAGEMENT NOTES

Selecting Your Exit Goals

By Carl Rogers

When a man does not know which harbor he is heading for, no wind is the right wind. -- Seneca

The starting point for any type of plan is defining its goals. In the case of planning a business exit, this means to "exit your business in style."

Philosophers, business owners, and successful people from all walks of life understand the critical importance of establishing goals, creating plans to attain these goals, and persevering to see their plans through to completion. Having worked with owners to create successful Exit Plans, we know that it is critical to ask several questions to establish three principal Exit Objectives before moving forward with their Exit Plan.

- How much cash do they need when they exit to support the lifestyle they desire? (Do they want to be cashed out when they leave the business or are they willing to receive the purchase price over time?)
- When do they want to leave the company? (How much longer are they willing to remain active in the company?)
- To whom do they want to sell/transfer the company? (To a child? Key employee? Co-owner? An outside party that can pay top dollar?)

Let's look at an example of an owner who arrived at his exit date without a plan to reach his goals, as told by an Exit Planning Advisor.

Ben, the owner of a 45-employee plastic-extrusion company, had long thought of transferring his business to a son and a key employee but had done little to prepare for that transfer. However, as tougher economic conditions challenged his company and he reached his 58th birthday, he decided it was time to retire and called me.

I said, "Ben, it's helpful that you've established two of the three Exit Objectives critical to all successful business exits. You've determined that you don't want to work much longer in the business, and you've decided that you want to transfer the business to your son and a key employee. But what about the third Exit Objective: How much money do you want or need when you leave the business? Have you determined whether you need cash or can accept a promissory note?"

At this point, Ben had two choices:

- He could retire immediately and try to sell the company for cash, but not to his son and key employee. They had no cash, and no bank would lend an amount even close to the amount of money necessary to close the deal. If Ben wanted to sell today and receive an amount that would support his post-exit lifestyle, he would have to sell to an outside third party with sufficient cash.
- Ben could sell the company to his son and key employee but would have to wait 6-10 years to receive the entire purchase price, which was not guaranteed.

Ben's situation illustrates why setting objectives or goals (and understanding how each affects other objectives and goals), creating a plan, and acting to reach those goals is critical to a successful exit.

If you prefer to leave your business in style (which to us means leaving your business to the successor you choose, at the time you choose, and with the amount of cash you desire), you must take time to formulate

specific, consistent, attainable goals and objectives. You must determine a course of action -- a plan -- based on those goals, and you must persevere with that action until you achieve your goal. Without setting goals at the outset of your exit journey, you may drift aimlessly until, like Ben, it's too late.

Don't be an owner who is too busy working in your company to work on the most important financial event of your business life. We are happy to help you begin by providing you with more information about setting objectives and other Exit Planning topics.

It may sound like a contradiction, but we use a systematic process to help business owners develop and implement a successful Exit Plan, even those who don't intend to exit. If you plan to stay in your business indefinitely, or if you hope to exit soon, contact us [**Carl Rogers, Rogers & Associates -- E-mail: cerogers@aicinvest.com**] today to get started.

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AAACT NEWS

In Memoriam

It is with great sorrow that we inform you of the December 19, 2016 death of Viola Tedder Edwards, 67, of Goldsboro, NC. Viola was the mother of current AACT Board Member Mike Edwards, Edwards' Truck Service.

Our thoughts and prayers go out to Viola's husband, Wayne; son, Mike, and the entire Edwards family.

AAACT/GAAS Scholarship Application Deadline March 31, 2017

The Automotive Aftermarket Association of the Carolinas and Tennessee is proud to announce that applications are now available for the annual AACT Scholarship(s). AACT will make available at least two (2) \$1,000 scholarships. All students who apply must be sponsored by an AACT member in good standing. **AAACT scholarships are also awarded regardless of the student's planned field of study.** Keep in mind that AACT members, and their immediate families, as well as AACT members' employees and their families, are all eligible for the scholarships. AACT owner-members and immediate family members of an AACT Scholarship Fund Trustee are not eligible to receive an AACT scholarship grant.

Again this year, the student applicant may complete the application for the AACT Scholarships online at www.automotivescholarships.com/AAACT. This way the student will not only be eligible for the AACT scholarship, but also ones from several other sources within the industry. All applications need to be completed online by March 31, 2017. The AACT scholarship(s) will be awarded by mid-May, 2017.

If the applicant desires to apply only for an AACT scholarship, then only the paper application should be completed and returned to AACT... call 1-800-849-8037 for a copy. But why not apply online and have a chance at multiple scholarships. Please contact Randy Lisk at the AACT office if you have any questions on this process for applying for scholarships.

Your Invisible Paycheck

A copy of the "Your Invisible Paycheck" form that many AACT members complete annually for their employees can be found on page 6 of this issue of "The Horn". Many employees do not realize what you, the employer, have invested in them.

2016 "The Horn" Index

For your convenience, we are providing you with an index (Pages 7-8) of all the articles contained in the 2016 "THE HORN" newsletter publications. For those who keep their newsletters, we hope this will be a helpful tool and handy reference.

Car Care: Winter Maintenance Check

Heavy snow can be fun for some, but many drivers dread treacherous winter driving conditions. Being car care aware will help ensure your vehicle is ready for harsh winter weather encountered on the roads, says the non-profit Car Care Council. "Many drivers overlook auto care this time of year, even with inclement weather in the forecast," says Rich White, Executive Director of the Car Care Council. "Driving in snow, especially in a heavy snowfall or blizzard, takes patience and preparation."

"A vehicle that is properly maintained and prepared for the elements can help you avoid an unplanned road emergency when the weather takes an unexpected turn for the worse." To ensure that your vehicle is ready for winter driving, the Car Care Council recommends that motorists perform a winter maintenance check of areas that have a direct impact on winter driving and your safety.

1. **Battery** -- Cold weather is hard on batteries, so it's wise to check the battery and charging system for optimum performance. Because batteries don't always give warning signs before they fail, it is advisable to replace batteries that are more than three years old.
2. **Anti-freeze** -- Anti-Freeze or coolant should be flushed and refilled at least every two years in most vehicles. As a reminder, do not add 100% anti-freeze, as full-strength anti-freeze actually has a lower freeze point than when mixed with water.
3. **Brakes** -- Have the brake system checked. Brakes are critical to vehicle safety and particularly important when driving on icy or snow-covered roads.
4. **Steering and Suspension** -- Inspect shock absorbers, struts and chassis parts such as ball joints, tie rod ends and other related components.
5. **Tires** -- Check the tire tread depth and tire pressure, including the spare. If snow and ice are a problem in your area, consider special tires designed to grip slick roads. During winter, tire pressure should be checked weekly as tires lose pressure when temperatures drop.
6. **Oil** -- Be diligent about changing the oil at recommended intervals and check the fuel, air and transmission filters at the same time. Consider changing to low-viscosity oil in winter, as it will flow more easily between moving parts when cold. In sub-zero driving temperatures, drop oil weight from 10W30 to 5W30 as thickened oil can make it hard to start the car. Be sure to check your owner's manual as newer cars now take synthetic motor oil.
7. **Lights and Wipers** -- Make sure all exterior and interior lights are working so you can see and be seen. Check the level in the windshield washer reservoir and replace wiper blades that are torn, cracked or don't properly clean your windshield. You may also want to install specially designed winter wiper blades.

In addition, the Car Care Council recommends a thorough vehicle inspection by a trusted professional service technician as winter magnifies existing problems such as pings, hard starts, sluggish performance or rough idling. Drivers should keep their vehicle's gas tank at least half full to decrease the chances of moisture forming in the gas lines and possible freezing.

Ice scrapers and a snowbrush or snow broom should be readily available, as well as an emergency kit with jumper cables, tools, flashlight and a blanket. It is also a good idea to include extra clothes, dry food snacks, and medications in case of an emergency.

(Source: Be Car Care Aware)

-- Randy Lisk, Executive Vice President

Your Invisible Paycheck

TO: _____
(Employee's Name)

Not many of us realize how much it costs for our company to keep us employed. Shown below is what it actually cost the company to employ you in 2016.

Your Total Paycheck in 2016

Your **Gross Earnings** before deductions \$ _____

Deductions from your paycheck amounted to:

Income Taxes (State and Federal) \$ _____

Social Security Taxes \$ _____

Your Share of Group Insurance Premiums \$ _____

Your Charitable Deductions \$ _____

Total Deductions \$ _____

Your **Net Earnings** (take-home pay) \$ _____

In addition to your wages, the company paid for you:

Social Security Taxes \$ _____

Unemployment Compensation Taxes \$ _____

Workers' Compensation Insurance Premiums \$ _____

Retirement Plan Benefits \$ _____

Life Insurance Premiums \$ _____

Health Insurance Premiums \$ _____

Dental Insurance Premiums \$ _____

Total cost of company paid benefits \$ _____

Total the company paid in 2016 for your wages and benefits \$ _____

Time paid, but not worked:

**Included in your wages paid by the Company were
the following amounts for the time you did not work:**

Company paid for _____ holidays \$ _____

Company paid for _____ vacation days \$ _____

Company paid for _____ sick leave days \$ _____

Company paid for _____ other days \$ _____

Total company paid you for time not worked \$ _____

**In 2016, the company paid you
in wages and benefits a Grand Total of** \$ _____

This statement is provided to you for your information. It is not intended to show that our company is a generous employer. You earned the amount on the bottom line. We do feel however, that you and your family should know what extra benefits and protection programs you have as an employee of _____.



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P.O. Box 97993

Raleigh, NC 27624

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2016 AACT “THE HORN” INDEX

JANUARY 2016

- Set Yourself Up for Significant Sales Success in 2016
- So You're Never Leaving...Got A Plan For That?
- Display OSHA Form 300 Log February 1-April 30, 2016
- 2016 Social Security Taxable Wage Base Announced
- Auto Care Association Names Bill Hanvey New President and CEO
- Sawrey Announces Bid for NC Senate
- Thanks from AACT Scholarship Recipient (*Ashley Hemingway*)
- AACT/GAAS Scholarship Application Deadline: March 31, 2016
- Meadowbrook Workers' Compensation Dividend Declared
- 2016 AACT Business Conference Dates & Location Set (September 8-11 -- Kingsmill Resort -- Williamsburg, VA)
- Your Invisible Check (Page 6)
- 2015 "The Horn" Index (Pages 7-8)

FEBRUARY 2016

- Message from President Bobby Flowers (includes a list of Current AACT, Inc. Officers and Board of Directors)
- Internet DIFM Impact Grows
- The Automotive Aftermarket Charitable Foundation
- IRS Announces 2016 Standard Mileage Rates
- OSHA Required Training
- Important N.C. Sales 7 Use Tax Update
- What Does Your Business Value Tell You?
- 2016 AACT Membership Renewal Drive Begins
- AACT / GAAS Scholarship Application Deadline -- March 31, 2016
- AACT Roster Listing (Page 8)

MARCH 2016

- 2016 AACT Business Conference: Williamsburg, VA
- Auto Care Association Delivers Cybersecurity Warning at NHTSA Roundtable
- National Car Care Month
- Odometers Drive the Aftermarket
- N.C. Department of Revenue Sales & Use Tax Division ... Important Notice: Service Contract for One or More Components, Systems or Accessories for a Motor Vehicle -- Taxable
- Bonus Incentive Plans for Employees: What's the Point?
- 7 Tips on How to Handle Angry Customers Without Losing Your Cool
- AACT/GAAS Scholarship Application Deadline Approaching

APRIL 2016

- 2016 AACT Business Conference: Williamsburg, VA
- Replacement Parts Are Top Dog
- Auto Care Association Calls on Copyright Office to Clarify Consumer Ownership of Vehicle Software
- Overtime Rules Delayed, Again
- Safety Updates
- Finally, A Five-Year Highway Funding Law
- Loss of Key Talent -- You The Owner
- The Importance of Being Listed: Conquer Your Local Market
- Save These Dates!!
- Memorial Day (AACT Office Closed Monday, 5/30/16)

MAY 2016

- 2016 AACT Business Conference: Williamsburg, VA (September 8-11, at Kingsmill Resort)
- Gas Prices Reshape Auto Sales
- Car Care Council Says 80% of Vehicles Need Service
- AAPEX 2016 Opens Housing
- ASE Certification Test Registration
- How Far Are You Willing To Go To Make It In Sales?
- DOL Closer To Finalizing Overtime Rule
- US DOT, IIHS Announce Historic Commitment: 20 Automakers To Make Automatic Emergency Breaking Standard On New Vehicles
- Memorial Day Holiday (AACT Office closed 5/30/16)
- 2016 AACT BUSINESS CONFERENCE SCHEDULE

JUNE 2016

- 2016 AACT Business Conference: Williamsburg, VA
- Final Rule Released: Fair Labor Standards Act
- Light Trucks Fire Up Aftermarket
- Aftermarket Vehicles: A New Concept
- NEW PROGRAM: Recovery One (Debt Collection)
- 2017 Advertising Calendars
- \$6,250 Scholarship Available to the 2016-2017 Leadership 2.0 Program (Application Deadline: 6/24/16)
- 2016-2017 AACT Scholarships Awarded
- Independence Day (AACT Office closed July 4, 2016)
- Membership Services Survey
- 2016 AACT Business Conference Schedule
- 2016 AACT Conference Sponsorship Form
- 2016 AACT Conference Registration Form

JULY 2016

- 2016 AACT Business Conference: "Are Your Business Practices Stuck In Colonial Times?"
- Auto Care Association Applauds Michigan Governor's Veto of Aftermarket Parts Bill
- Former Director of CIA and NSA Michael Hayden to Speak at AAPEX 2016
- Longer Vehicle Life Changing How People Buy Cars
- An Agreement Is Not A Plan
- New LegalShield Program
- Social Media Myths - Debunked (Part 1)
- Order Your 2017 Advertising Calendars Now!!!
- Labor Day Holiday (Office Closed Monday, Sept. 5)
- 2016 AACT Business Conference Schedule, Sponsorship Form, Registration Form, and Hotel Reservation Form

AUGUST 2016

- 2016 AACT Business Conference: "Are Your Business Practices Stuck In Colonial Times?"
- 2016 Yearbook / Directory Advertisers -- THANK YOU!!
- North Carolina Sales and Use Tax -- Sales of Shop Supplies and Paint
- Seat Belts Required For Passengers In Trucks Starting August 8
- The State of Auto Care
- AAPEX ... November 1-3, 2016; SEMA ... November 1-4, 2016 -- Las Vegas, Nevada
- Equality and Fairness in Transfer to Kids
- Social Media Myths - Debunked (Continued . . .)
- 2017 Advertising Calendars
- Labor Day Holiday
- 2016 AACT Business Conference -- Schedule, Sponsorship Form, Registration Form, and Hotel Reservation Form

SEPTEMBER/OCTOBER 2016

- 2016 AACT BUSINESS CONFERENCE: (Recap, Sponsors)
- Current Form I-9 Valid Until January 21, 2017
- Important Notice from N.C. Department of Revenue (Additional 0.25% Local Sales & Use Tax for Cherokee and Jackson Counties)
- How to Bring Youth into Your Organization
- Is Exit Planning Worth the Time and Money?
- Welcome New Members!
 - ◆ Interstate Batteries of Central Carolina - Garner, NC
 - ◆ LegalShield - Raleigh, NC
 - ◆ Recovery One - Columbus, OH
 - ◆ Waddell & Reed - John Bottega
- 2017 Advertising Calendars

NOVEMBER 2016

- 2016 AACT Business Conference -- AACT Scholarship Fundraiser Results
- Demographics Boost DIFM
- Selling is Changing . . . Not Really
- EPA Issues Final Rule On R-134a Refrigerant
- Family Leave Act [FMLA] Handbook Available
- New Federal Labor Law Posters [\$16.75/Each + Postage] Same price as in 2013!!
- Recovery One Program Reminder {Debt Collection Services for AACT Members}
- "Right to Yelp" Laws & Protecting Your Online Reputation
- In Memoriam . . . *Annie Jarman "Peggy" Jones, Woodrow Jones Parts, Inc. - Pink Hill, NC*
- Suggestions Welcome
- AACT Office Holiday Schedule

DECEMBER 2016

- **AACT New Mailing Address!!! -Effective 1/1/2017:**
AACT, INC.
P.O. BOX 97993
RALEIGH, NC 27624

- Federal Judge Halts Overtime Rule
- Social Security Announces Wage Base Increase for 2017
- The Impact of Value Drivers on Sale Price
- Hodges Insurance Agency: Medical Insurance
- Online Applications Available Now for 2017 GAAS Scholarships
- AACT Committees -- 2016-2017
- 2017 Vacation Schedules
- AACT Office Holiday Schedule (AACT Office closed December 23 & 26, 2016 and January 2, 2017)

