

**TENNESSEE**



**PLUMBING-HEATING-COOLING  
CONTRACTORS ASSOCIATION™**

*Best People. Best Practices.™*

# The TN PHCC Newslink

MAR/APR 2018

## TN PHCC 121st Annual Plumbing-Heating-Cooling

# Trade Show and Convention

Nashville Fairgrounds, 500 Wedgewood Ave.

Thursday, April 19, 2018

11am-3:30pm

### TAPHCC Board of Directors

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Office: 865-531-7422  
taphcc@bellsouth.net  
www.TAPHCC.com

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**Free Lunch for Contractors (till gone)**

**Free Admission (open to the public)**

**Free Parking**

**Prizes, New Technologies and Products**

# Save the Trades, Race to the PHCC!

# Member News

## Upcoming Date Reminders...

April 19: TN PHCC 121st Annual Trade Show, Convention and Young Leaders Reception and 7th Annual Presidents Event, Nashville Fairgrounds, Nashville

April 20: TN PHCC Spring Board Meeting, Fairfield Inn-The Gulch, Nashville

May 9th: Ride and Decide Kick Off (Knoxville), 5pm Lincoln Park Technology Center, Knoxville

May 11th: 26th Annual Danny Burnette Golf Classic, Bear Trace at Cumberland, Crossville

May 21-23: PHCC National Leadership and Legislative Conference, Hyatt Regency, Washington DC

August 3-4: TN PHCC Summer Board Meeting TBD

Oct 9-12: PHCC National CONNECT 2018, Albuquerque, NM (during Hot Air Balloon Festival Week)

## Mission Statement:

*"The TAPHCC is dedicated to serving and improving the PHC industry by providing opportunities for continuing education, communication, social networking, and business improvement. We are dedicated to the protection of the environment and the health and safety of our society."*

## Welcome New Contractor Member:

### Ivey Mechanical

1528 Hunt Club Boulevard Suite 400  
Gallatin, TN 37066  
Contact: Steve Gammon  
615-338-4044

## Important Deadlines for Annual Events and Promotions:

- **Annual Event Registration**– Annual Meeting and Convention with Hot Topics on TOSHA and Legal Issues, Ride and Decide and Online Apprentice Information, Young Leaders Reception and Presidents Event.  
**Registration Deadline April 13th– Form in this Newslink**
- **TN PHCC T-Shirts**– Back by popular demand, great quality TN PHCC logo t-shirts in safety colors for your employees or customers with or without your custom logo on the front pocket.  
**Order Deadline April 2nd**
- **Free Catered Lunch Contest**– Register your company door prize tickets in advance for your chance to win a free lunch for up to 30 of your employees at your location. (sign up on annual event registration form)  
**Deadline April 2nd**
- **Contractor/Associate of the Year Nomination**– Nominate someone who you know has done an outstanding job for our industry.  
**Deadline for nominations is April 2nd**
- **Golf Classic**– Join us for a day of fellowship, fun and golf!  
**Deadline April 30th, event May 11th**  
*Forms included in this issue of the Newslink*

## In Appreciation for Your TN PHCC Board of Directors Service

### Ron O'Neal

1999-2017

On behalf of your fellow members of the Tennessee Association PHCC and in recognition of your Leadership, Service, Dedication and Commitment to the Board of Directors and our Members



**Board Member Retirement:** We finally caught up with retired Board Member Ron O'Neal at the Winter Board Meeting in Chattanooga and presented Ron an appreciation plaque for his years of exemplary service. (Picture: Ron with President Kay Keefe)

## IRS Mileage Rates for 2018:

The standard mileage rates for the use of a car (also vans, pickups or panel trucks) is:

**54.5 cents per mile, up from 53.5 cents for 2017**



# 2018 TN PHCC Annual Events

April 19, 2018

Nashville Fairgrounds, Nashville, TN

## Thursday, April 19 - Nashville Fairgrounds, 500 Wedgewood Ave, Nashville

8am-10am: Tennessee PHCC Annual Meeting and Breakfast (RSVP required)

8am- 5pm: State-wide Apprentices Contest

10am-11am: Seminar One: **Hot Topics in the Legal Arena** for Contractors by R. Eddie Wayland of King & Ballow Law Office

11am- 12pm: Seminar Two: **Hot Topics in TOSHA** including Confined Spaces, Silica, Electronic Reporting and more by Jim Flanagan of Tennessee OSHA



11-3:30pm: 121<sup>st</sup> Annual **Trade Show:** *Race to the PHCC!*

**FREE LUNCH** for Contractors and their Employees, **FREE PARKING** and **FREE ADMISSION** with Exhibits, Demonstrations of New Products, Door Prizes and Contests!

Diamond Sponsors:



2pm: **Ride and Decide** Information (Workforce Development Program for students and the trades) and TN PHCC **Online Apprentices School** Information Meetings

5pm: Apprentices Contest Awards

5:30pm: **Young Leaders Reception with Beer and Brats**- Open to all "young" leaders in the trades to meet and exchange ideas (RSVP required).

6:30pm **Presidents Event and Casino Night**- Live casino action fun (Blackjack, Texas Hold'em Poker, Roulette and Craps) with buffet dinner, cash bar, live auction and prizes. Beginners welcome! *Event sponsored by Federated Insurance.*

## Friday, April 20 - Fairfield Inn & Suites- The Gulch, 901 Division Street

8am-12pm **Spring Board Meeting**- All contractors are invited to attend, breakfast is included, pre-registration is requested.

## Friday, May 11th - Bear Trace at Cumberland, Crossville

**26th Annual Danny Burnette Golf Classic**- benefitting the TAPHCC Scholarship Fund. Teams and individual golfers invited!

# Tennessee Association Plumbing-Heating-Cooling Contractors 121st Annual Events Registration Form



**Thursday- April 19th, Nashville Fairgrounds, 500 Wedgewood Ave.**

8am-10am: **Annual Meeting and Breakfast Buffet**- Awards, annual meeting and Keynote Presentation. All contractors and their employees are invited to attend. Full breakfast and seminars below included with the convention fee, pre-registration required.

10am-11am: **Seminar One- Hot Topics in the Legal Arena** for Contractors by R. Eddie Wayland of King & Ballow Law Office



11am-12pm: **Seminar Two: Hot Topics in TOSHA** including Confined Spaces, Silica, Electronic Reporting and more by Jim Flanagan of Tennessee OSHA

**11am-3:30pm: Trade Show**

- Free Lunch for Contractors and their Employees.
- Free Admission and Free Convenient Parking.
- Exhibits, Demonstrations and New Products. Prizes and contests.



2pm: **Ride and Decide Information Meeting and TN PHCC Online Apprentice School Information Meeting** Session will include all the details about getting involved and registration in these two effective workforce development programs.

5:30pm: **Young Leaders Reception** with Beer and Brats- Open to all "young" leaders in the trades to meet and exchange ideas. (must be 21 to participate, pre-registration required)

6pm-9pm: **7th Annual Presidents Event**- at the Fairgrounds Creative Arts Building. Live casino action with dinner, cash bar, auction and prizes. (must be 21 to participate, pre-registration required.) *Event sponsored by Federated Insurance.*

Name	Annual Meeting, Breakfast & Convention Seminars \$75pp		Ride and Decide and Online Apprentice School Meeting (free)	Young Leaders Reception \$15pp	Presidents Event \$55pp
	One- Hot Legal Topics (included with convention fee)	Two- Hot TOSHA Topics (included with convention fee)			

**Free Catered Lunch Contest:**

Order trade show contest entry tickets **before April 11th** (maximum 10 per company) and give them to your employees to turn in at a trade show booth and enter to win a free catered lunch for up to 30 employees at your company location (members only). A random drawing will be held to determine the winner. Winner must use free catered lunch by 5/15, value up to \$500, catering arranged by TN PHCC.

Yes, Please send me 10 entry tickets for the lunch contest.

Company Name: \_\_\_\_\_ Contact Email: \_\_\_\_\_

Checks payable to TAPHCC, 9041 Executive Park Dr. Suite 220, Knoxville, TN 37923 865-531-7422 Fax: 865-531-7045 taphcc@bellsouth.net  
TAPHCC Members can be invoiced, non-members please include payment with registration.

Credit Card Payments circle:    MasterCard    Visa    Amex (NOTE: A 3.5% credit card processing fee will be charged.)

Name on Card: \_\_\_\_\_ Card # \_\_\_\_\_

Exp. Date: \_\_\_\_/\_\_\_\_/\_\_\_\_ Code: \_\_\_\_\_ Card Zip Code: \_\_\_\_\_ Sign: \_\_\_\_\_

# State News

## Workforce Development

This month the Knoxville PHCC Apprentice School and the TN PHCC Ride and Decide Program were given the long-awaited opportunity to present both programs and discuss career opportunities in front of the Knox County High School Counselors.



Terry Self and David Dugger, (Trustees of the KAPHCC Apprentice School), Gordy Noe (founder of Ride and Decide) and others presented both of the programs that benefit students in their career choices.

Whitney Almeraz who participated in the Ride and Decide Program last summer and is now working full-time as a welder at Interstate Mechanical spoke on her decision to enter the trades. Ms. Almeraz spoke about how she did very well in high school and did not want to attend college (just more school as she put it) and was unsure of her what career to pursue. One of her CTE teachers at a Knox County School talked to her about the Ride and Decide program. She worked for a mechanical contractor and was exposed to welding and an HVAC company last summer, each for a month. Whitney really liked the welding work and when she graduated in December on an early release program due to her academic progress, she went to work full time for Interstate.



When Whitney was asked what her friends and family thought of her working as a welder she said that they are all jealous of her pay and that she has full time work and a career at the age of 18.

The Counselors were very receptive to the presentation, Whitney and the information imparted on the benefits of careers in the trades and that college is not the only option for graduates.

One counselor commented, "This type of program and the apprentice school fill a gap for students that do not want to pursue college and are looking for hands-on type of work. We are so glad to have this option for our students."

We will continue the dialogue with the counselors and are working on increasing participation in both Ride and Decide and enrollment in apprentice schools.

## Scholarships Available!



We encourage students who have applied for the TN PHCC scholarships or those that may have missed our deadline to apply for the PHCC Educational Foundation and the PHCC Auxiliary scholarships.

This year the PHCC Educational Foundation will award 43 scholarships worth up to \$102,500! If you will have an apprentice or a student in the 2018-19 school term you can apply for one of these [scholarships!](#)

The deadline is May 1, 2018.

The PHCC Auxiliary scholarship deadline is June 15, 2018 and information can be found on [phccweb.org](http://phccweb.org).

## Student Career Fairs

The TN PHCC Office and many of our contractor members attend area career fairs for students and job seekers.

If you would like to attend to help us encourage students to join the trades or would like to borrow a post up banner, hand outs or job outlook materials on the trades to distribute, just let us know.



# State News

## Day on the Hill 2018

On March 7th we met with over 30 legislators on Capital Hill in Nashville to discuss issues about our industry, pending legislation and to offer our Association and its members as a resource for PHCC and business related issues.

Below is a list of the three main topics we discussed. We talked about our Limited License HVAC bill and will re-introduce it next year. The state regulators are currently in a no new licensing framework until the current licenses are reviewed and altered. We will be looking at our promotion scheme for our legislation after the November elections as historic members of the state legislature are leaving their roles this year. A majority of the departures are due to retirement and/or a change of position.



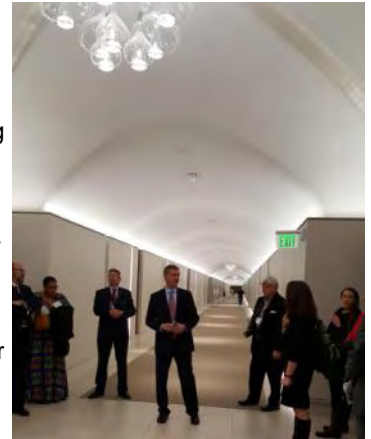
Our members meeting with Representative Harry Brooks.



Garrett Sims, son of Board Member Brad Sims (right) joined us to learn more about the legislative process.

Starting in early January we regularly monitor bills that are introduced and discuss any that pertain to our trades or business in general. Although many are not viable by the time we attend our Day on the Hill, the timing is perfect as the bills we need to discuss are generally in the committee process.

The Senate and the House members have moved their offices to the renovated Cordell Hull Building two blocks from the prior Legislative Plaza and War Memorial Buildings. This move marked a great improvement in space, availability of meeting and conference rooms and efficiency. There is a tunnel (shown at right) that connects the building to the Capital for the joint session meetings that are still held there.



### 2018 TN State Congressional Meetings:

Rep. Ryan Williams  
Rep. Harry Brooks  
Sen. Todd Gardenhire  
Rep. Andrew Farmer  
Rep. Mike Sparks  
Rep. Glen Casada  
Rep. Roger Kane  
Rep. Susan Lynn  
Rep. Marc Gravitt

Sen. Bill Ketron  
Sen. Steve Southerland  
Rep. John Holsclaw  
Rep. Sam Whitson  
Rep. Jerome Moon  
Sen. Jon Lundberg  
Sen. Joey Hensley  
Sen. Jack Johnson  
Sen. Mark Pody  
Sen. Becky Massey  
Sen. Rusty Crowe  
(partial list)

### Bills that our members discussed with our legislators and our position, in brief:

**Limited License HVAC Act** - Was introduced in 2016 and 2017 as an act that creates the "Limited License HVAC Contractors Act" that requires state licensure on any HVAC work up to \$25,000 in value.

Strongly Support, we are considering reissue for 2019.

**Apprenticeship** - As introduced, establishes apprenticeship programs for professions regulated by entities administratively attached to the division of professional regulatory boards.

Strongly Oppose as this circumvents US DOL standards and current Apprentice Schools.

**Consumer Protection** - As introduced, requires the manufacturer of a nonconforming HVAC system or major appliance to repair the system at no cost to the consumer; requires replacement of the HVAC system in certain circumstances.

Oppose— Parameters are vague and already covered by the Consumer Protection Act.



We in America do not have a government by majority.

We have a government by the majority who participate.

—Thomas Jefferson

# State News

## What's New for the 2018 Annual Events

- Young Leaders Reception with Beer and Brats to encourage our young leaders to get involved with our PHCC.
- Annual Trade Show will feature carnival type games at booths and prizes (optional for exhibitors).
- Presidents Event with live casino action games and prizes (beginners welcome).
- The Golf Tournament has been moved to a May date and centrally located between Nashville and Knoxville in response to our member survey. We moved the Knoxville tournament last year to Crossville with great results.

## Contractor and Associate Member of the Year Nominations due April 2nd

**Know anyone that is an outstanding contractor or associate?** The criteria established for the TAPHCC Contractor/Associate Member of the Year is that the annual award will be given to an individual who has

***significantly contributed to the PHC industry and to the PHCC Association during the past year.***

Some of the criteria are: Professionalism, Merchandising Skills, Management Skills, Trade Involvement and Community Service.

We don't have an award winner every year, but when we do it's a testament to the dedication and volunteerism of our members. Please use the form on the following page to nominate your candidate.

## Why attend the Annual Events?

### You can:

- See tons of new products and technologies at one location at the Trade Show on one day with **free admission** and **free parking** and **free lunch** (while supplies last)!
- See other members, network and be part of an amazing award-winning Association!
- Win prizes at the Trade Show with our "carnival" type exhibitor booths!
- Attend 2 great information seminars for way less than the cost of one typical education session.
- Send your "young" staff to the Young Leaders Reception so they can meet other young professionals and build their future network.
- Watch our state-wide Apprentice Contest and root for your favorite HVAC or Plumbing student.
- Enter to Win a free catered lunch for up to 30 of your employees at your location just by sending your people to the Trade Show to turn in their entry tickets. (pre-registration required)
- Play golf, win door prizes and course prizes while networking with your associates.
- Have a great time at the Presidents Event with live casino action, great food and a fun night out!

Diamond Sponsors:



# 2017 TAPHCC Contractor/Associate Member of the Year

## OFFICIAL NOMINATION

Nominee's Full Name: \_\_\_\_\_ Title: \_\_\_\_\_

Business Name: \_\_\_\_\_ Chapter: \_\_\_\_\_

The criteria established for the TAPHCC Contractor/Associate Member of the Year is that the annual award will be given to an individual who has significantly contributed to the PHC industry and to the PHCC Association during the past year.

Please state the reason you are nominating this person: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

\*You may use the reverse of this page to note any achievements, contributions and/or special challenges for this nominee and please include any of the following attributes this nominee demonstrates:

1. PROFESSIONALISM - Training of personnel, programs designed to insure customer satisfaction, creative management procedures, etc.
2. MERCHANDISING SKILLS - Showroom development and utilization, journeyman selling, selling up, advertising, and public relations efforts.
3. MANAGEMENT SKILLS - Innovative management techniques and procedures.
4. TRADE INVOLVEMENT - Participation in apprentice training, industry funds, code committees and association leadership.
6. COMMUNITY SERVICE - Achievements in civic activities that enhance the public image of the PHC industry.
7. DEDICATION- Exemplary service to the industry through participation, volunteerism and/or innovation.

The TAPHCC Award Selection Committee will make the determination of the 2017 TAPHCC Award(s) from the nominations submitted. Awards will be presented at the TAPHCC Annual Meeting and Convention in April 2018.

**Please fax completed nomination to: 865-531-7045 -or- Email to [taphcc@bellsouth.net](mailto:taphcc@bellsouth.net)**

Nomination submitted by:

Name: \_\_\_\_\_

Chapter: \_\_\_\_\_ Date: \_\_\_\_\_

Nominations may be submitted by any Tennessee PHCC member or the nominee. The member nominated must be a member-in-good-standing with the PHCC Association.

**Nomination deadline: April 2nd, 2018**



# TAPHCC 26th Annual Danny Burnette Golf Classic

To Benefit the TAPHCC Scholarship Fund

Friday- May 11, 2018

The Bear Trace at Cumberland State Park  
407 Wild Plum Lane, Crossville, TN  
931-707-1640



**TIME:** Sign in between 7:15 - 7:45am CST with Shotgun Start @ 8:00am

All fees include: Cart, unlimited range balls, one Mulligan and lunch.

**FEES:**

**COURSE:**

**\$155 per player**

**\$260 single player with tee sponsor sign-** One player *plus Tee Sign for your company*

**\$550 per four person team**

**\$700 golf foursome with tee sponsor sign-** Four person team *plus Tee Sign for your company*

**\$150 tee sign sponsor-** Tee Sign only, no players



**Golf Week magazine named the Bear Trace at Cumberland Mountain State Park the No. 1 Golf Course in Tennessee.**

Situated in the heart of the scenic Cumberland Plateau, The Bear Trace at Cumberland Mountain is one of the most sought-after sites among the Jack Nicklaus designed courses.

The 6,900-yard, par 72 layout features a design that capitalizes on elevation changes as well as natural features, such as flowing brooks and clustered, mature pines. The signature 7th hole, a 393-yard, par 4, incorporates another of the region's natural resources, layered flagstone, along the front of the green.

Limited to First 100 players- Advance registration & payment required.

## JOIN US FOR A DAY OF GOLF, FUN & FELLOWSHIP!

*Thank you for your support of the TAPHCC scholarship programs from the Golf Committee!*

You may sign up as an individual, partner or team. Golf Chairman will pair up single and double players. If you do not have your team member names, you may print "TBD" below.

Golfer 1: \_\_\_\_\_

Company: \_\_\_\_\_

Golfer 2: \_\_\_\_\_

Company: \_\_\_\_\_

Golfer 3: \_\_\_\_\_

Company: \_\_\_\_\_

Golfer 4: \_\_\_\_\_

Company: \_\_\_\_\_

Tee Sign Only:  yes  no

Total Registration Fee enclosed from table above: \$ \_\_\_\_\_

Return completed form with your payment to: TAPHCC, 9041 Executive Park Dr., Ste 220, Knoxville, TN 37923 or call the office with your credit card payment (3.5% handling charge) 865-531-7422. Fax number: 865-531-7045

Please contact me about sponsorship opportunities for the Tournament:

Company: \_\_\_\_\_ Contact: \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_ Date: \_\_\_\_\_

Name on Tee Sponsor Sign (if different than name above): \_\_\_\_\_

Contributions to the Tennessee Association of Plumbing-Heating-Cooling Contractors are not deductible as charitable contributions for federal income tax purposes. Contributions may, however, be deductible as business expenses.



## Tennessee PHCC T-Shirt Promotion Program

Join us to show your pride in your Association and help us to promote your company and your PHCC.

The t-shirt to the right will be available to all of our members. THIS WILL BE A PRE-ORDER ITEM.



## Your company logo can be printed on the shirt!

### Details:

- All shirts will be safety orange with medium blue imprint lettering.
- Shirts will be a cotton blend and available with or without a front left chest pocket.
- Your company logo can be printed on the front of the shirt (minimum order 25 shirts). Artwork will be requested after the order.
- Shirts will be invoiced and ready for pick up on April 19th at the TN PHCC Annual Trade Show in Nashville or pick up at the state office in Knoxville. Shipping can be arranged for a fee.
- **Orders must be received by April 1st.**



Please pick one:

Safety Orange

Safety Green



Back

Item	Price each	S	M	L	XL	2XL	3XL	TOTAL
T-shirt	\$6.00							
T-shirt: 2-3XL	\$7.50							
Front Pocket T-shirt	\$8							
Front Pocket T-shirt: 2-3XL	\$9.50							
Custom logo on front Pocket Shirt (minimum order 25 shirts)	\$10.00							
Custom logo on front Pocket Shirt: 2-3XL (minimum order 25 shirts)	\$12.50							

Grand total: \_\_\_\_\_

**Return completed form with payment (members will be invoiced) to:  
TAPHCC, 9041 Executive Park Dr., Ste 220, Knoxville, TN 37923**

or call the office with your credit card payment (3.5% handling charge). 865-531-7422. Fax number: 865-531-7045

Company: \_\_\_\_\_ Contact: \_\_\_\_\_

Email: \_\_\_\_\_ Phone: \_\_\_\_\_

# National News

## How New HVAC Expensing Benefits Affect You

-Chuck White, PHCC National Association Vice President of Regulatory Affairs

The tax reform package contains an expensing benefit for HVAC equipment. Previously, this equipment was subject to depreciation schedules which stretched out 39 years. Under the new plan, Section 179 Qualified Real Property now includes heating, ventilating, and air conditioning property which may be fully expensed in the year it is placed in service.

There is a \$1 million limit on the expense deduction in the year it is placed in service and that limit is reduced by any equipment amounts exceeding \$2.5 million in that year.

A project that cost \$20,000 under the past tax law would have a 39-year depreciation schedule or annual deduction of about \$513. In the current tax law the entire \$20,000 would be expensed. Tax savings would vary depending on the owner's situation but the savings would be significant.

The Section 179 deductions could apply to other items for owners as well; to read the text of the law, click [here](#).

## PHCC Members Can Access New Safety Program Tool Offered by Federated Insurance



Thanks to PHCC Corporate Partner Federated Insurance, members of the Plumbing-Heating-Cooling Contractors—National Association (PHCC) now have access to customizable tools to start building a company safety program.

The "Management Commitment and Employee Involvement" safety resources – accessible at [www.phccweb.org/CompanySafetyProgram](http://www.phccweb.org/CompanySafetyProgram) – offer guidelines, training, checklists, logs and other valuable resources related to hazard prevention and control, safety and health planning, and other construction-specific safety topics (such as eye protection, electrical and tool safety, material handling, etc.). In addition, a section on workplace analysis offers employers forms and reports on construction site inspections, vehicle accident reporting, risk tolerance and more.

*"PHCC members can customize these basics of a safety program to begin building a company program that fits their needs,"* says PHCC President Laurie Crigler. *"Not only will this formalized process help them comply with laws and regulations, it also sends a positive message to their employees that 'we're a culture that cares about our employees, and here's how we do it.'"*

Recognizing that industry segments may not have the same safety requirements as others, Federated developed the resources to be modified and adapted for an individual contractor's needs. *"This sample introductory program, extracted from a comprehensive safety program available to Federated clients, is a great starting point,"* says Dave Szymanski, First Vice President and Director of Association Risk Management Services for Federated Insurance. *"January 2018 marked the 30th anniversary of our partnership with PHCC—perfect timing to provide this complimentary safety resource to these professional p-h-c contractors who are dedicated to the safety of society and their employees."*

The PHCC Insurance, Safety & Risk Management Committee was a resource during the development of this new PHCC member benefit. *"This offering is another example of the teamwork between our two organizations,"* says committee member Nathan S. Oland, Federated Senior National Account Executive. *"PHCC's Insurance, Safety & Risk Management Committee does a great job of prioritizing our partnership resources based on the needs of their members."*

For additional information, contractors can connect with Federated Insurance by using the **"Locate Your Representative"** on the company's home page or by calling Federated's Client Contact Center at 888-333-4949.

Clients of Federated also can access additional safety programs by clicking the client access links provided at [www.phccweb.org/CompanySafetyProgram](http://www.phccweb.org/CompanySafetyProgram) [Federated Shield Network (FSN) log in required].

# Business News

## DOL Adopts New Test For Internship Programs

The U.S. Department of Labor (DOL) has announced that it was scrapping the six-factor test it had used for years to determine whether interns are employees for purposes of the Fair Labor Standards Act (FLSA) and adopting the “primary beneficiary” test favored by a number of U.S. Courts of Appeals.

In connection with its change in enforcement practice, the DOL issued a new Fact Sheet on internship programs under the FLSA.



The Fact Sheet lists seven factors for determining whether an intern is an employee:

- The extent to which the intern and the employer clearly understand that there is no expectation of compensation. Any promise of compensation, express or implied, suggests that the intern is an employee—and vice versa.
- The extent to which the internship provides training that would be similar to that which would be given in an educational environment, including the clinical and other hands-on training provided by educational institutions.
- The extent to which the internship is tied to the intern’s formal education program by integrated coursework or the receipt of academic credit.
- The extent to which the internship accommodates the intern’s academic commitments by corresponding to the academic calendar.
- The extent to which the internship’s duration is limited to the period in which the internship provides the intern with beneficial learning.
- The extent to which the intern’s work complements, rather than displaces, the work of paid employees while providing significant educational benefits to the intern.
- The extent to which the intern and the employer understand that the internship is conducted without entitlement to a paid job at the conclusion of the internship.

No single factor is determinative, and the analysis always depends on the unique circumstances of each case.

## DOL Launches Pilot Program Allowing Employers to Resolve Payroll Errors without Fees or Penalties



On March 6, 2018, the Wage and Hour Division of the U.S. Department of Labor (WHD) announced a pilot program designed to expedite resolution of payroll errors. Dubbed with the convenient acronym PAID, the Payroll Audit Independent Determination program will allow employers to correct inadvertent overtime and minimum wage violations without having to pay fees, fines, or liquidated damages.

Under the PAID program, employees will receive 100 percent of the back wages owed. Employers - and employees -- will be spared any litigation expenses, attorneys' fees, or other costs that may be applicable to private actions. WHD will assess the amount of wages due and supervise payment to employees. No penalties or liquidated damages will be imposed on employers who participate in the PAID program, self-report errors to WHD, and agree to future compliance. (The program is not open to employers currently being investigated or engaged in litigation.)

WHD is implementing the pilot program nationwide for approximately six months, after which it will evaluate the results and decide whether to make it permanent. Employers are encouraged to audit their compensation practices to identify and correct potential non-compliant practices.

More information concerning the pilot program is available at [www.dol.gov/whd/paid](http://www.dol.gov/whd/paid).

Articles on this page courtesy of SESCO Management Consultants- Bristol, TN, (423) 764-4127, [sesco@sescomgt.com](mailto:sesco@sescomgt.com)

# Business News

## Teachers Pet Is Drama *-Bill Harrison*



Yes, there is drama in your workplace; almost every day. One aspect that is guaranteed to create drama is an actual teacher's pet or a perceived one. "What are you talking about, Coach, this isn't school".

No, but the dynamics are the same. How did you feel about the teacher's pet when you were in school? Well, the drama intensifies 10 fold in the work place.

As some folks move up in the organization they rise past their contemporaries and become their supervisor or manager. These might be folks they considered friends and often socialized with. Most folks in the company are aware of these relationships and are paying attention. If that person actually gets a "special deal" or it appears that person is given one, then we have drama. Maybe being let off a weekend project that others must participate in. Maybe for a good reason others don't know; doesn't matter

Actual or perceptions are equally dramatic. Of course, then the rumor mill ramps it up to a very high level.

Sometimes there are family relationships involved that can give the hint of the "boss" playing favorites. Sometimes the boss hires friends from outside the company. Remember, it is not the actual fact but the perception that someone is the "favorite".

It is not unusual for a previous or current friend to have access to the "boss". If allowed, they may move around the chain of command and go directly to the top. The key word in that sentence was "allowed".

Human nature being what it is, the friend who can bypass his current boss to get to his friend may not be giving an objective account of what is happening. Most folks will put the story in the best light for themselves. That is why the boss should never listen to one side of any issue; particularly if it is the "teacher's pet". **The boss can never have or appear to have favorites. It is the easiest way to lose the respect of the team members.**

That is a key fact to consider. If you even have a hint of favoritism to anyone the drama really kicks in. Over time the boss will definitely lose the respect of the team. It is not about treating your favorite more harshly; but it is about treating everyone fairly and consistently.

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## Tennessee Receives High Marks For Its Low Tax, Pro-Growth Status *-Senator Becky Duncan Massey, District 6 Newsletter*

Tennessee received high marks from two sources this week for its low tax, pro-growth status. The financial website, Wallet-Hub, released a new study on Tuesday showing Tennessee has the lowest tax burden in the nation. The study estimates a median income household in Tennessee paid only \$3,667 in state and local taxes in Tennessee last year, which is over a third less than the average nationwide, and less than any other state in the country.

Under conservative leadership, Tennessee has cut taxes by \$572 million annually, with policies in place to reduce them even more in years to come. This includes reducing the sales tax on food by nearly 30 percent, phasing out of the Hall tax, cutting business taxes on manufacturing, and eliminating the gift tax and inheritance tax.

The other high mark received by Tennessee this week was from the U.S. Bureau of Labor Statistics which reported that the state had the second biggest decline in the nation in unemployment rates. Tennessee's unemployment rate is down 1.2 percentage points, from 4.5 percent to 3.3 percent from January 2017 to January 2018.

The state is experiencing the lowest unemployment rates in Tennessee history, while the job growth rate is greater than 17 percent. Over the past several years, Tennessee has passed tort reform and overhauled workers' compensation to offer businesses more predictability and broadband accessibility to help spur economic development in rural areas.

Tennessee ranks 7th in the nation for the number of net new manufacturing jobs created since 2012. The state has also seen strong rural job growth with a 31.7 percent increase in new job commitments in 2017 over that of five years ago.

**The TAPHCC Newslink**

TENNESSEE ASSOCIATION OF PLUMBING -  
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# SUPPORT YOUR CHAPTER PHCC ASSOCIATION



**KNOXVILLE**  
President: Scott Robinson  
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**Bi-monthly Meeting** - 4th Monday, 11:45 am , Bearden Banquet Hall, 5806 Kingston Pike  
RSVP- Rose Mayfield - 865-607-4283

**MIDDLE TENNESSEE**  
President: Jonathan Sadler  
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**Bi-monthly Meeting:** 3rd Tuesday, 11:00 am, Piccadilly's at Murfreesboro & Wilhagen  
RSVP - Jonathan at 256-759-3972 for details

**NORTHEAST TENNESSEE**  
President: Mark Lucas, Vice-President: Keith Rhymer, Treasurer: Leslie Persinger  
**Meeting** - 2nd Tuesday, 11:30 am  
Call for Location: 423-926-2665