



West Virginia Exports Increase for Second Year



West Virginia exports increased for the second year in a row, reaching \$8.1 billion in 2018, state officials said on Thursday.

West Virginia outpaced the national average growth rate in 2018 as exports increased 14.2 percent while the nation's exports grew at 7.6 percent.

“To see our exports growing at almost double the national rate is truly incredible,” Gov. Jim Justice said. “Not only is it great news for our manufacturers who have made a home here in West Virginia and have seen their businesses grow because of it, but it is also wonderful to know that West Virginia's products are making an impact all over the world and that everyone gets to see just how good we really are.”

Plastics, chemicals, automotive, metals, aerospace and hardwoods combined for more than \$3 billion in exports from West Virginia. Notably, products and parts for the aerospace industry reported export growth at 17.8 percent over the previous year.

“This report highlights the ongoing, sustained and successful efforts in place to continue diversifying the economy in West Virginia,” said Mike Graney, executive

director of the West Virginia Development Office. “West Virginia manufacturers have proven they can deliver quality goods at a competitive price to customers located throughout the world.”

Coal continued to be the state's primary export and led the nation, with more than \$4.3 billion exported to 35 countries. India, Ukraine, Netherlands, Brazil, and Canada were the top five export markets for West Virginia coal.

Canada remained West Virginia's largest trading partner with more than \$1 billion in exports.

For the second year in a row, West Virginia saw an increase in exports to its No. 2 trading partner, India. West Virginia's exports to India grew 46 percent in 2018.

The U.S. Census Bureau releases export data annually.

With products shipped to 142 countries in 2018, exports remain a critical component of West Virginia's economy. The West Virginia Development Office works with small and medium-sized businesses to increase export sales and find reputable foreign business partners. Companies interested in pursuing international sales for the first time or looking to expand into new markets should contact the West Virginia Development Office to learn more about these services. Visit the West Virginia Development Office Export Assistance Program at <http://westvirginia.gov/step>.

To read more: <http://www.newsandsentinel.com/news/business/2019/03/west-virginia-exports-increase-for-second-year/>



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About The Program

The Construction Estimating Institute (CEI) works with West Virginia Department of Transportation (WVDOT) as the statewide provider of the federally funded Disadvantaged Business Enterprises (DBE) Supportive Services Program.

We want to increase the number of certified DBEs participating in highway and bridge construction, as well as assist DBEs in growing and eventually becoming self-sufficient. Additionally, CEI provides supportive services by assisting prime contractors and consultants with identifying DBEs for subcontracting opportunities on priority projects.

3 Best Practices for Saving Money on Payroll

The fringe-credit, annualization & compliance mistakes that are costing you



If you work on taxpayer-funded jobs or you provide services to a government agency, you're probably subject to the Davis-Bacon Act, McNamara-O'Hara Service Contract Act, state prevailing-wage

laws or local living-wage laws. And small compliance mistakes quickly add up to big costs.

On average, a 12-man company that works on public jobs 25% of the time will spend 15 hours a week on compliance issues/paperwork and waste \$67,184 annually on overpaid wages and taxes. Three main reasons contractors overpay on government projects are the misapplication of fringe credits, miscalculation of annualization and misunderstanding of compliance.

1. Fringe Credits

Most prevailing-wage jobs require that you pay a specific amount of fringe benefits to employees. For example, in San Diego, California, you pay \$19.60 per hour in benefits on all prevailing-wage hours worked by carpenters. After deducting the credit for existing benefits (\$4.53 per hour), you pay the difference (\$15.07) in "cash" by adding it as taxable income. This leads to four common mistakes that can cost tens or even hundreds of thousands of dollars:

- Not using all available credits, thus, overpaying your employees
- Calculating time-and-a-half (too much) on overtime fringe
- Paying the difference in "cash," costing an average of 20% in payroll taxes, workers' compensation (WC), and general liability (GL) insurance, as well as 30% in taxes for your employees
- Assigning prevailing-wage work to employees with low benefits while you could pay higher wages (or offer greater benefits) and spend less to satisfy the prevailing-wage requirements

You may deduct a credit for offering these benefits:

- Employer cost of health insurance (medical, dental, life, etc.)
- Employer contributions to 401(k) plans
- Vacation, holiday and nonmandated sick accruals
- Union benefits and employer dues
- Third-party training fees

You cannot take credit for these:

- Employee deductions (employee paid health/401(k))
- Use of company vehicles, phones and tools
- Statutory benefits (WC and employer taxes)
- Mandated sick, maternity and medical leave
- Mileage or expense reimbursements
- Holiday bonuses

To calculate each credit, divide your annual cost (e.g., employer health equal to \$400 a month or \$4,800 a year) by annual hours worked (e.g., 2,080 hours = \$2.31 per hour). Any amount you pay in "cash" will cost you and your employees a lot in taxes and insurance. If you pay \$15.07 per hour in cash, you pay another \$3 per hour in employer costs, and employees pay an average of \$4.50 per hour in taxes. That adds up to \$3,750 for an employee working just 500 prevailing-wage hours a year.

As such, you're better off depositing the \$15.07 per hour into a third-party fringe trust. A properly structured fringe-cost trust fund can save these costs and still give employees access to cash and desired benefits. On the other hand, a poorly designed trust fund can block employees from their money and expose you to thousands in taxes or compliance penalties.

2. Annualization

You may try to satisfy the fringe by offering more generous benefits, but that will cost more than you expect. Most benefits are subject to annualization, which means that the credit is reduced based on a percentage of prevailing-wage hours each employee works (e.g., if you pay \$5,000 a year in medical benefits for an employee that works on prevailing-wage jobs 25% of the time, you can only take \$1,250 of credit.

To read more: <https://www.constructionbusinessowner.com/strategy/business-management/3-best-practices-saving-money-payroll>

Supportive Services Offered



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CEI is an educational organization providing the highest quality construction training in the industry. Over 100,000 owners, estimators, project managers, field supervisors, office support staff, foremen, laborers, and key management personnel have attended courses that are offered nationwide. The courses provide students with construction skills training and the critical information needed to be effective within their companies and organizations.

CEI DBE Supportive Services

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