

Greetings John

The National Finishing Contractors Association publishes *Federal Connection* as a benefit to its members. *Federal Connection* brings National FCA's perspective on the national legislative and regulatory issues that affect finishing contractors.

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EPA May Expand Lead Regulation to Public, Commercial Work

The agency published advance notice May 6 in the Federal Register of its "intention to regulate the renovation, repair, and painting of public and commercial buildings under section 402(c)(3) of the Toxic Substances Control Act (TSCA)."

The notice followed the implementation of EPA's "Lead-Safe Repair, Renovation and Painting Rule." That rule, implemented April 22, requires certification for contractors and businesses that disturb six or more square feet of interior paint (more for exterior paint) in renovating homes, schools and day-care centers built before 1978.

EPA says the measure is likely to apply to:

- Building construction (North American Industrial Classification System [NAICS] code 236)
- Specialty trade contractors (NAICS code 238) ([back to top](#))

HIRE Incentive to Restore Employment Act

Employers who hire unemployed workers this year (after Feb. 3, 2010, and before Jan. 1, 2011) may qualify for a 6.2 percent payroll tax incentive, in effect exempting them from the employer's share of Social Security tax on wages paid to these workers after March 18.

In addition, for each qualified employee retained for at least a year whose wages did not significantly decrease in the second half of the year, businesses may claim a new hire retention credit of up to \$1,000 per worker on their income tax return. Form 941, will be filed by most employers claiming the payroll tax exemption for wages paid to qualified employees.

The HIRE Act requires that employers get a signed statement from each eligible new hire, that he or she was not employed for more than 40 hours during the 60 days before beginning employment with that employer. Employers can use Form W-11.

These two tax benefits are especially helpful to employers who are adding positions to their payrolls. New hires filling existing positions also qualify as long as they are replacing workers who left voluntarily or who were terminated for cause and otherwise are qualified employees.

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Feds Say Contractors Must Post Union Rights

Contractors and subcontractors on federal projects will soon have to fully inform their employees of their union-related rights under the National Labor Relations Act.

Beginning June 21, a new DOL rule will require subcontractors "at all tiers" of federal projects to post notice of their workers' rights to form unions, join unions, bargain collectively, and carry out similar actions. The rule, published May 29 in the Federal Register, implements Executive Order 13496, which President Obama issued on Jan. 30, 2009.

The rule - 29 CFR 471; "Notification of Employee Rights under Federal Labor Laws" - exempts subcontractors whose contract on the regulated project is less than \$10,000.

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New Permanent Resident (Green) Cards

The Department of Homeland Security's Citizenship and Immigration Services May 11 unveiled a redesigned permanent resident card, also known as the green card, that includes new security features to make it easier for employers and law enforcement agents to detect fraud.

Beginning May 11, CIS will issue all green cards in the new, more secure

format, the agency said. CIS will replace green cards already in circulation as individuals apply for renewal or replacement cards. ([back to top](#))

Multiemployer Pension Fund Relief

The National Finishing Contractors Association signed a letter, along with 36 other organizations and trade associations, including the Sheet Metal and Air Conditioning Contractors' National Association, the Mechanical Contractors Association of America, the National Electrical Contractors Association, and the U.S. Chamber of Commerce, sent to members of Congress May 27 expressing concern about what it called misinformation in news reports on multiemployer plans and support for legislation (S. 3157, H.R. 3936) introduced to correct what it views as design problems affecting those plans.

"As the number of employer participants dwindles, employers remaining in the plan[s] see their liabilities increase exponentially, forcing them to cover retirees that never worked for them," the letter said. H.R. 3936 and S. 3157 would address those inadequacies of the law and create more stability in multiemployer plans, according to the letter.

The measure also would permit multiemployer plans that meet certain requirements to transfer all benefit liabilities for "orphans" to a separate insurance account that would be created at the Pension Benefit Guaranty Corporation. The term "orphans" refers to participants of employers that have withdrawn from multiemployer plans without contributing enough to cover their employees' pension liabilities. ([back to top](#))