



Member Associations of

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Headline Summary

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Overtime Pay

Millions of workers could qualify for expanded overtime pay under a new push by President Obama to review existing Labor Department regulations; however, employees in California won't be seeing any changes. California exemption and overtime laws already supersede federal laws.

Obama plans to direct the Labor Department to begin updating regulations aimed at preventing employers from designating lower-paid salaried workers as "managers" or "professionals" in order to make them ineligible for overtime. In other words, reviewing the exempt vs. non-exempt status of employees.

WatchDog

Guarding the Business of Print

April 2014

Patent Troll Legislation

Now is a critical time for printing and graphic communications executives to voice their support of a legislative solution to address the extortive behavior of patent trolls that have been attacking printing companies at an alarming rate.

"Patent Assertion Entities" (PAEs), commonly referred to as patent trolls, assert patents against companies that have inadvertently incorporated patented technology into their products. Since trolls generally do not produce or sell anything, they are not at risk of infringing other patents, allowing them to assert patents aggressively without fear of retaliation.

Currently, patent trolls are targeting printers by asserting rights to least eight patents, including those related to CTP workflow, QR codes, Intelligent Mail Barcodes, and more.

Common demand letters seek up to \$95,000 to avoid litigation. Printers estimate spending \$10K-\$15K for initial legal fees plus up to 150 hours of lost productivity to address the patent troll demands.

In December, the U.S. House of Representatives passed HR 3309 (Innovation Act) by a bipartisan vote of 325-91. Now it's the up to the U.S. Senate to act. Senate Judiciary Committee Chairman Patrick Leahy (D-VT) and Senator Mike Lee (R-UT) have introduced bipartisan legislation; other Senators have introduced legislation aimed at specific patent reforms and an effort is under way to produce a comprehensive reform package that will pass the Judiciary Committee and the full Senate with bipartisan support.

Take action today and contact Senator Diane Feinstein to support legislation for patent reform.

Senator Diane Feinstein (D - CA)
331 Hart Senate Office Bldg.
Washington, D.C. 20510
Phone: (202) 224-3841
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Source: *Printing Industries of America, Action Alert*

Scam Alert

There is a new scam being run on printers from coast to coast. It involves individuals posing as collection agencies that collect retainers, collect the funds, and skip town. This new scam reinforces the importance of dealing with reputable collection firms. If you are being solicited by a collection agency you've don't know, check it out immediately by reaching out by reaching out to your local affiliate manager. Most affiliates have "buying power" programs that can help you collect outstanding receivables.

Hazardous Communications Training

Gary Jones, Assistant Vice President, EHS Affairs, Printing Industries of America, shared an OSHA's Internal Memo: Interim Guidance on Enforcement of the revised Hazard Communication Standard. The memo instructs inspectors that they can cite companies that have not completed the initial training by December 1, 2013.

OSHA requires employees to be trained in the new labels and Safety Data Sheets, and you can use the materials we are providing for assistance in complying with the new training requirements as well as all of the requirements of the Hazard Communication Standard, which has been recently aligned with the Globally Harmonized System.

You can find a step-by-step guide to this training at <http://bit.ly/PIC-HCT>.

Federal Contract Workers

President Obama signed an Executive Order raising the minimum wage to \$10.10 an hour for federal contract workers. The new Executive Order will:

- Raise the minimum wage to \$10.10 an hour effective for new contracts beginning January 1, 2015. The higher wage will apply to new contracts and replacements for expiring contracts.
- The Executive Order requires employers to make sure that tipped workers earn at least \$10.10 an hour. Employers now will be required to pay a minimum base wage of \$4.90 for new federal contracts and replacements for expiring contracts put out for bid after January 1, 2015.

That amount increases by 95 cents a year until it reaches 70 percent of the regular minimum wage, and if a worker's tips do not add up to at least \$10.10, the employer will be required to pay the difference.

SCAQMD Action

The South Coast Air Quality Management District is in the process of revising Rule 1130 – Graphic Arts. The purpose of the proposed amendments is to meet EPA's Control Techniques Guideline recommendations. The amendments address offset lithographic and letterpress printing operations. The amendments include:

- revising fountain solution VOC content requirements
- changing requirements for add-on control device capture and control efficiency
- adding rule language for prohibition of sales for clarification and add a prohibition for storage of non-compliant graphic arts materials at a worksite
- Adding an exemption for graphic arts materials that have a VOC content of no more than 10 g/L, as applied, and other minor corrections and clarifications

The Governing Board was to vote on the amendments on April 5, but the vote now has been put over to May 2.

More information can be found at http://www.aqmd.gov/pub_edu/notice_PAR1130_Feb_06_14.html.

Tardy Taxpayers

Two identical bills would provide some tardy taxpayers a relief from timeliness penalties in a similar manner now provided at the federal level. AB 2065 (Jeff Gorell, R-Camarillo) and AB 1777 (Sharon Quirk-Silva, D-Fullerton) allow such relief if the taxpayer is otherwise tax compliant for the current as well as previous four tax years. The bills apply to late filings from individuals, partnerships and S corporations.

The Franchise Tax Board (FTB) currently lacks authority to consider compliance history in the determination of whether to abate these penalties. Over the last two years, the FTB's legal division has received approximately 300 appeal cases where one of the issues is a timeliness penalty.

California Sales Tax

California Sales and Use Tax is a tax upon tangible personal property delivered to an end user in California.

This sentence answers almost all questions about the application of the tax. For example, mailing services, websites, electronic files are not tangible personal property and therefore non-taxable.

Printed matter is tangible personal property and is taxable, if it is delivered within California. There are some examples of printed matter that are specifically exempt notably "printed sales messages" (direct mail); printed matter that is later to be sold to an end user (trade books, maps, etc.); printed labels and cartons that are attached to products that will be sold to an end user, as well as printed matter that is included with such products.

More information is available in the *PIC Guide to California Sales and Use Tax* publication under the Government tab on www.piasc.org. You may call Gerry Bonetto at Ext. 248 (email: gerry@piasc.org) for more information.

