



Illinois Chapter

# MERIT UPDATE

AUGUST 24, 2009

## HOUSE BILL WOULD ALTER INDEPENDENT CONTRACTOR CLASSIFICATION RULES

REP. JIM McDERMOTT (D-WASH.) JULY 30 INTRODUCED THE TAXPAYER RESPONSIBILITY, ACCOUNTABILITY, AND CONSISTENCY ACT OF 2009 (H.R. 3408) IN THE HOUSE OF REPRESENTATIVES, WHICH WOULD SIGNIFICANTLY MODIFY THE RULES FOR WHEN EMPLOYERS ARE ALLOWED TO CLASSIFY WORKERS AS INDEPENDENT CONTRACTORS.

H.R. 3408 WOULD AMEND THE INTERNAL REVENUE CODE OF 1986 TO INCLUDE A PROVISION THAT WOULD ALLOW EMPLOYERS TO AVOID EMPLOYMENT TAX LIABILITY IF THEY ARE ABLE TO SHOW A "REASONABLE BASIS" FOR APPLYING THE INDEPENDENT CONTRACTOR STATUS. IN ADDITION, THE MEASURE WOULD REPEAL THE "SAFE HARBOR" PROVISION IN SECTION 530 OF THE REVENUE ACT OF 1978.

THE LEGISLATION WOULD ALSO SIGNIFICANTLY INCREASE THE PENALTIES FOR EMPLOYERS THAT MISCLASSIFY EMPLOYEES AS INDEPENDENT CONTRACTORS, INCLUDING RAISING THE MINIMUM PENALTY FOR EACH INCORRECT TAX RETURN FILED FROM \$50 TO \$250 NOT TO EXCEED \$3 MILLION A YEAR AND RAISING THE FINE FOR EACH EMPLOYER THAT INTENTIONALLY DISREGARD THE FILING REQUIREMENT FROM \$100 TO \$500 PER TAX RETURN.

UNDER THE BILL, "REASONABLE BASIS" IS MET IF THERE IS A WRITTEN DETERMINATION CLASSIFYING THE WORKER, OR A WORKER IN A SIMILAR POSITION, AS AN INDEPENDENT CONTRACTOR; A COMPLETED EMPLOYMENT TAX EXAMINATION CLASSIFYING THE WORKER AS AN INDEPENDENT CONTRACTOR; OR IF THE EMPLOYER HAS NOT CLASSIFIED ANY WORKER PERFORMING A SIMILAR FUNCTION (AS DEFINED BY THE FAIR LABOR STANDARDS ACT) AS AN EMPLOYEE FOR EMPLOYMENT TAX PURPOSES ANY TIME AFTER DEC. 31, 1977.

ABC OPPOSES H.R. 3408 AND ANY OTHER PROPOSALS THAT WOULD LIMIT THE FLEXIBILITY OF EMPLOYERS TO USE INDEPENDENT CONTRACTORS. ABC WILL CONTINUE TO ADVOCATE FOR A CLEAR, CONSIDERATE, AND REASONABLE DEFINITION OF INDEPENDENT CONTRACTORS AND PRESERVATION AND CLARIFICATION OF SECTION 530 OF THE REVENUE ACT 1978, WHICH PROVIDES GOOD FAITH BUSINESSES WITH A SAFE HARBOR.

SOURCE: ABC NEWSLINE @ WWW.ABC.ORG

### ATTENTION ALL APPRENTICES:

**CLASSES BEGIN TODAY!**

**GOOD LUCK AND HAVE A GREAT SCHOOL YEAR!**

### GOOD JOB ON THE STUDENT COOKOUT

THANKS TO ALL THE ABCIL BOARD MEMBERS AND STAFF THAT PARTICIPATED IN THE ANNUAL STUDENT COOK OUT LAST WEEK. IT WAS A HUGE SUCCESS. ABCIL WOULD LIKE TO EXTEND A SPECIAL THANKS TO RENT RITE RENTALS AND DUBAK ELECTRIC FOR THEIR KIND DONATIONS TO MAKE THE EVENT POSSIBLE.

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#### ELK GROVE VILLAGE OFFICE

1541 ELMHURST RD,  
ELK GROVE VILLAGE, IL  
60007  
847-709-2960  
847-709-2970 FAX

#### SPRINGFIELD OFFICE

526 E. ALLEN  
SPRINGFIELD, IL 62703  
217-523-4692  
217-523-4752 FAX



**FOR A 10%  
DISCOUNT ON  
YOUR WORKER'S  
COMP INSURANCE**

**CALL AL CANDOS  
@ (708) 361-2700  
TODAY!**



## EXCELLENCE IN CONSTRUCTION AWARDS

**EIC PACKETS WILL BE MAILED THIS WEEK! ALL SUBMISSIONS MUST BE PROJECTS COMPLETED DURING OCTOBER 19, 2007 THROUGH OCTOBER 19, 2009.**

**FOR MORE INFORMATION OR QUESTIONS PLEASE CONTACT LISA RAYMOND AT 847-709-2960**

### **BIG WIN FOR ABC MEMBERS IN DECATUR, IL**

The Decatur City Council voted Monday, August 17th to reverse the so-called "Responsible Bidder" ordinance passed by their predecessors. The vote was 6-1 in favor of rescinding this measure which mandated companies bidding for city contracts with a price tag of at least \$25,000 have certification in federally approved apprenticeship programs.

ABCIL President & CEO Rob Winchester, as well as local members in Decatur, all spoke out against this measure explaining how bad this would be for the city of Decatur and its tax-payers.

**Congratulations to the members in Decatur!**

### **WELCOME TO ABCIL NEW MEMBERS**

**Tammy Harrison**  
Pebbles Asphalt & Concrete, Inc  
Hoffman Estates

**Adrian Gavanescu**  
RO Vision Electric and Lightings  
Chicago, IL

**Craig Thurman**  
Tennis Courts Unlimited, Inc,  
Watervliet, MI

**Bob Wilcox**  
Wilcox Construction  
Walnut, IL

**Jerry Gunn**  
GUNN Construction Company, Inc.  
Camp Point, IL

**Matt Cepicky**  
New Coat Sealing  
Eureka, MO

**Brian Hougham**  
B & H Blacktopping  
Princeville, IL

**Pete Libbra**  
Central Subsurface Contracting of  
Illinois, Inc.  
Girard, IL

**Edwin Flores**  
Chicagoland Plumbing, Inc.  
Chicago, IL

**Barry Hodges**  
Hodges Fence Erectors  
Edgewood, IL

**Brick Holland**  
Holland & Holland Masonry  
Shelbyville, IL

**Mike Langenfelter**  
HPL Construction Company, Inc  
Decatur, IL

**Ken Chartier**  
KH Chartier Building Maintenance  
Lake In The Hills, IL

**Ray Keller**  
Max Electric  
Chicago, IL

**Mike Chance**  
MBC Electric Co.  
Loves Park, IL

**George George**  
Pete George & Son Blacktop  
East Peoria, IL

**Phil Solecki**  
Premier Electrical Services, Inc.  
Oswego, IL

## DON'T MISS THESE EVENTS!

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### UNCLAIMED SCHOLARSHIP MONEY AVAILABLE NOW!!

THINKING OF REGISTERING FOR THE ABCIL APPRENTICE PROGRAM AND SHORT ON \$CASH\$?

THERE IS SOME MONEY AVAILABLE THAT WAS UNCLAIMED BY PAST SCHOLARSHIP AWARDS.

YOU CAN STILL APPLY FOR THIS YEAR'S TUITION!

CALL STEVE FOLTIN @ (847) 709-2960 FOR DETAILS, BUT HURRY FUNDS ARE LIMITED!

### **AUGUST 24, 2009—AUGUST 27, 2009**

**ELK GROVE VILLAGE CLASSES BEGIN**

**PLEASE CONTACT STEVE FOLTIN OR DIANA SCIORTINO AT 847-709-2960 TO REGISTER!**

### **AUGUST 25, 2009**

**DECATUR LUNCHEON**

THE DECATUR LUNCHEON WILL BEGIN AT 11:30AM AT THE DECATUR CONFERENCE CENTER & HOTEL AT 4191 W. US HWY 36. DECATUR, IL 62522. THE COST IS \$20.00 PER PERSON AND WILL FEATURE GUEST SPEAKER DAN RITHERFORD, STATE SENATOR & REPUBLICAN CANDIDATE FOR STATE TREASURER. **FOR MORE INFORMATION OR TO REGISTER PLEASE CONTACT KARI AT 217-523-4692**

### **SEPTEMBER 10-11**

**OSHA 10-HOUR**

ABCIL WILL BE HOLDING AND OSHA 10 HOUR ON SEPTEMBER 10TH AND 11TH IN THE ELK GROVE VILLAGE OFFICE AT 1541 ELMHURST RD. ELK GROVE VILLAGE, IL 60007. THE CLASSES WILL BE HELD FROM 4:30 TO 9:30 PM ON SEPTEMBER 10TH AND FROM 8:00 AM TO 1:00 PM ON SEPTEMBER 11TH. TO RECEIVE CREDIT BOTH SESSIONS **MUST** BE ATTENDED. THE COST IS \$150.00 FOR MEMBERS, \$100.00 FOR STUDENTS, AND \$200.00 FOR NON-MEMBERS. **FOR MORE INFORMATION PLEASE CONTACT STEVE FOLTIN AT 847-709-2960**

### **SEPTEMBER 10**

**WAUKEGAN APPRENTICESHIP & TRAINING ORIENTATION**

CLASSES WILL BE BEGINNING AT HUCKER ELECTRIC—1620 YORKHOUSE RD. IN WAUKEGAN ON THURSDAY SEPTEMBER 10, 2009 WITH A SPECIAL PIZZA ORIENTATION. STUDENTS MAY REGISTER AND MAKE FINANCIAL ARRANGEMENTS THAT EVENING. THE WEEK OF SEPTEMBER 14, 2009 CLASSES FOR LEVEL I, II, III, & IV WILL BEGIN ACCORDINGLY. **FOR MORE INFORMATION PLEASE CONTACT STEVE FOLTIN AT 847-709-2960**

### **SEPTEMBER 15**

**SPRINGFIELD APPRENTICESHIP & TRAINING ORIENTATION**

CLASSES WILL BE BEGINNING AT CACC—2201 TORONTO RD. IN SPRINGFIELD ON TUESDAY SEPTEMBER 15, 2009 WITH A SPECIAL PIZZA ORIENTATION. STUDENTS MAY REGISTER AND MAKE FINANCIAL ARRANGEMENTS THAT EVENING. THE WEEK OF SEPTEMBER 21, 2009 CLASSES FOR LEVEL I, II, III, & IV WILL BEGIN ACCORDINGLY. **FOR MORE INFORMATION PLEASE CONTACT STEVE FOLTIN AT 847-709-2960**

### **SEPTEMBER 16**

**WEBINAR SERIES: SAFETY ESSENTIALS ON THE JOB SITE**

**FOR DETAILS ON THIS WEBINAR PLEASE CONTACT KARI AT 217-523-4692**

### **SEPTEMBER 17**

**SPRINGFIELD GOLF OUTING**

THE SPRINGFIELD ANNUAL GOLF OUTING WILL BE HELD ON THURSDAY, SEPTEMBER 17, 2009. REGISTRATION AND LUNCH BEGINS AT 11:30AM WITH A SHOTGUN START AT 12:30 PM. DINNER WILL FOLLOW GOLF AT 5:30 PM. THE COST FOR THIS EVENT IS \$125.00 FOR INDIVIDUAL GOLF AND DINNER, \$460.00 FOR A FOURSOME OF GOLF AND DINNER, \$15.00 FOR LUNCH ONLY, AND \$30.00 FOR DINNER ONLY. PLEASE SEE THE AVAILABLE SPONSORSHIPS BELOW:

**BEVERAGE CART SPONSOR: SOLD**

**CONTEST SPONSOR: \$100.00**

**DINNER SPONSOR: \$500.00**

**HOLE SPONSOR: \$100.00**

**LUNCH SPONSOR: \$350.00**

**RAFFLE PRICE DONATION: PRIZES SUPPLIED BY COMPANY**

**FOR MORE INFORMATION PLEASE CONTACT KARI AT 217-523-4692**