



December 01, 2008

Alaska Chapter NECA Newsletter

www.alaskaneca.org

Chapter Calendar

December 2

December 9

December 5

December 25

December 31

January 1

Anchorage JATC

Safety Committee

Annual Meeting/Christmas Party

Christmas Day

New Year's Eve/Fire & Ice

New Year's Day

Tool Box Talks

December 01, 2008

December 08, 2008

December 15, 2008

December 22, 2008

December 29, 2008

Transformer

Transporting Tools and Materials

Work Practices

Working Hot

Workplace Violence

Give Yourself A Bonus: Take Advantage Of Capital Investment Incentives Before Year-End

As we previously reported, the Economic Stimulus Act (ESA) signed into law on February 13, 2008, includes bonus depreciation provisions and an enhanced expensing provision for fixed assets. Unless Congress acts soon to extend these provisions, they will expire at the end of the month.

Since an extension of these provisions is hoped for but by no means guaranteed, many tax and financial advisors are telling their clients who are considering purchasing capital assets in the near future to buy them and place them in service now, before the end of the 2008 calendar year.

50 Percent Bonus Depreciation. Under the ESA, taxpayers are permitted (but not required) to claim a bonus first-year depreciation deduction on qualified depreciable property equal to 50 percent of the adjusted basis of the eligible property. There is no limit on the amount of the deduction that may be claimed.

To qualify, the property must be purchased and placed in service after December 31, 2007, and before January 1, 2009. The taxpayer must be the original purchaser; used property does not qualify. Nor does the property qualify if a binding purchase contract for it existed prior to January 1, 2008.

What does qualify, among other things, is tangible personal property (including construction equipment) with a recovery period of 20 years or less, computer software, and qualified leasehold improvement property.

The deduction is not affected by short taxable years. It will be allowed for regular tax and alternative minimum tax purposes.

Section 179 Expensing. The ESA also increased and extended the small-business expensing election that is available per Section 179 of the Internal Revenue Code. It's available only to companies with total purchases of \$1,050,000 or less during the tax year.

Under the stimulus act, taxpayers are allowed to expense up to \$250,000 of eligible property that is placed in service during the 2008 tax year. However, the expensing amount is reduced if the total amount

of eligible property exceeds \$800,000. The expensing levels will drop after the end of 2008. (Without ESA, the 2008 expensing amount would be \$128,000 and the phase-out level would be \$510,000.) Sec. 179 expensing applies to both new and used equipment. And, it can be combined with the bonus depreciation (which is computed after the application of any allowable Sec. 179 expensing).

For More Information. The Associated Equipment Distributors has set up a website that it calls “your one-stop clearinghouse for information about the capital investment incentives in the 2008 Economic Stimulus Act.” It’s at www.depreciationbonus.org. Of course, for advice which is tailored to your situation and takes your state’s laws into account, always consult your own qualified tax/financial advisor.

NECA Asks Congress to Support Multiemployer Pension Adjustments

BETHESDA, MD – As bleak news about the economy continues to pour in, multiemployer pension funds, like those employee benefit plans support by NECA-member companies, are showing signs of strain. Today, the National Electrical Contractors Association formally requested that Members of Congress address specific changes included in the proposed economic stimulus package that would prevent such pension plans from being categorized as “at risk” or “severely underfunded.”

Such changes in a fund’s “zone” status – a plan’s rating based on its funding level – dramatically increase its administrative costs, while simultaneously driving down the pension’s employee benefits.

“Multiemployer pension funds are some of the most highly regulated in our country,” said Lake Coulson, NECA executive director, government affairs. “While many plans acted early to reach the mandatory funding levels, the unprecedented losses across all sectors of the economy means that some plans simply can’t get there fast enough.”

NECA supports emergency adjustments to the Pension Protection Act (PPA) for multiemployer pension plans, including:

A three year optional freeze on zone status that would avoid the triggering of contribution increases;

The requirement that actuarial valuation of assets be used for zone projection; and

A provision that would allow for the extension of correction periods from the current statutory limit of 10 years to 15 years.

Currently, one in four private sector employees with a pension fall under the multiemployer category, in industries ranging from construction and trucking to health care and retail services – a total of 10 million participants in all 50 states. The National Coordinating Committee for Multiemployer Plans estimates that up to 30 percent of the 1,600 plans currently in operation are facing a funding deficiency by the end of the decade.

“Most plans have tapped into the resources currently available, but simply need more time and additional tools to prevent going into the ‘at risk’ zone,” Coulson said. “Requiring the use of actuarial values would temper the impact of market fluctuations, in times of growth or decline, which would prevent abrupt changes in zone status. And an extension of the correction period from 10 to 15 years would allow business owners to structure contributions and to provide benefits to their employees at a more accurate level in the long-term.”

NECA has fought for legislative reforms that would allow multiemployer pension plans to better respond to market trends for many years. “However, we’re now facing a real crisis if action isn’t taken immediately,” Coulson said. “And the employees who depend on the contributions of business owners to multiemployer pension plans will be the ultimate losers.”

Jerry Rivera Joins NECA as Director of Safety

BETHESDA, MD -- The National Electrical Contractors Assn. (NECA) is pleased to announce that Jerry E. Rivera has joined NECA’s national staff as Director of Safety. As Director of Safety, Rivera will oversee the development of [NECA’s electrical safety resources](#), such as [NECA’s Personal Protective Equipment Selector Manual](#), and liaison with member companies and regulatory organizations to help create electrical safety programs that protect electrical workers, building owners and occupants, and the general public.



Jerry E. Rivera, NECA Director of Safety Rivera brings a wealth of experience in the construction industry to the association, much of it as a safety professional. Most recently, He was the safety manager for B&I Contractors, an electrical, mechanical and plumbing contractor. He worked on high-visibility construction projects ranging from \$1.2 -\$200 million, including Amgen Opus, Naples Daily News, Eli Lilly and Exxon.

Prior to working at B&I, Rivera served as regional safety manager for Pulte Homes, a residential developer in southwest Florida, where he implemented health and safety programs that cut workplace accidents and saved over \$1 million.

Rivera holds a diploma in electrical engineering from Liceo Arte y Tecnología, Rio Piedras, Puerto Rico, and a B.A. in management from Inter American University, Rio Piedras, Puerto Rico. He is a qualified candidate to the CSP designation awarded by the Board of Certified Safety Professionals, an active member of the American Society of Safety Engineers and the American Red Cross, and a certified OSHA Outreach Instructor. Rivera has written several articles for safety magazines, including *Occupational Health and Safety News*.

Michael Johnston, NECA's Executive Director of Standards and Safety, said, "NECA and the entire electrical construction industry will benefit from Jerry's experience, interests, and efforts in safety programs for contractors and workers. He is keenly interested in the health and welfare of people in general. Jerry brings great enthusiasm, ideas, and genuine concern about helping making a difference in NECA's continuous positive approach to worker safety and electrical contractor safety programs and practices."

Rivera is available as a media source on electrical safety, employee safety programs and worksite protection.

FUTURE SCHEDULE OF EVENTS.....

September 12-15, 2009	NECA Convention/Seattle, WA
October 2-5	NECA Convention/Boston, MA
October 22-25	NECA Convention/San Diego, CA
September 30-October 3	NECA Convention/Las Vegas, NV
October 12-15	NECA Convention/Washington, DC