

MANUFACTURING MATTERS

Keep People Safe and Factories Running

While all non-essential businesses have been ordered by the state to have 100% of their workforce stay home during the COVID-19 pandemic, all essential manufacturers remain open, resilient, and committed. These essential manufacturers, which already have an outsized influence on the regional and national economy, are delivering essential products and services, and providing a needed economic boost as the threat of a recession looms.

Essential manufacturers that remain open are committed to workplace safety and must comply with Empire State Development's guidance and New York State Department of Health's directives for "maintaining a clean and safe work environment." In addition, many of the region's manufacturers have joined a consortium named "Keep People Safe and Factories Running," pledging to take extraordinary steps to keep their factories safe for employees and the communities in which they reside.

The manufacturer's pledge, supported by a peer-to-peer review process, utilizes the collective skills and knowledge of the founding organizations, including experience from those who have overcome previous infectious episodes, like the SARS outbreak. This process leverages safe practices and best practices from noted authorities, including the World Health Organization (WHO), the Centers for Disease

Control and Prevention (CDC), Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA), and local Departments of Health.

The Pledge and its process are powerful tools that help create factual conditions upon which manufacturers make decisions. It includes the following topics:

- Controlling site traffic
- Enhancing hygiene protocols
- Social distancing to reduce density
- Onsite emergency response
- Communicating to employees, community, and customers

MACNY's President & CEO Randy Wolken states, "Essential manufacturers are meeting these challenging times head on. These companies that have been designated as essential are committed to continuing production, all while keeping their employees safe in the workplace. They are practicing social distancing, disinfecting work surfaces and spaces regularly, and maintaining effective communication with their workforce and customers."

For more information on this initiative, please visit <https://www.macny.org/keep-people-safe-and-factories-running/>.

Inside This Issue:

Page 3 | President's Message:
Manufacturers and MACNY: Fighting COVID-19 Together

Page 4 | Leadership Development:
The Beauty of Uncertainty

Page 5 | Government Relations:
FY2021 Enacted State Budget

Page 7 | Food For Thought:
"For whatever the future holds, one thing is certain... It just won't be the same."

Page 8 | PEB Update:
What is "Workplace Readiness?"

Page 10 | Workforce Development:
Preparing for What Comes Next

Page 11 | Tax Update:
Key Considerations of the CARES Act for Manufacturers



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Please contact Stephanie Adams at
sadams@macny.org or 315-474-4201 ext. 51
to sign up for any of our upcoming sessions!



Randy Wolken
President & CEO

Manufacturers and MACNY: Fighting COVID-19 Together

In March, the manufacturing community was confronted with the impacts of COVID-19. Within days, nonessential workers were ordered to go home, and manufacturers began entirely new procedures to secure the health of their workers and their operations. That same week, MACNY deployed its entire staff home – continuing its operations. It was a rapid and stark change for all of us.

Our members worked very hard as they made the transition. Essential manufacturers implemented new density requirements and enhanced all of their cleaning and disinfecting protocols. We can be proud of how they responded. Public officials and public servants charted a course to deal with the crisis. Our first responders and health care workers worked overtime to keep us safe and help us transition. Essential services like food providers and grocery stores helped us get what we needed as we sheltered at home and worked hard to flatten the curve in our communities.

The Governor began to brief New York State each day. I began daily updates to our members to help them understand the fast-developing situation. We moved all of our offerings to digital platforms. The staff performed wonderfully as they adjusted to working remotely. We had been moving to offer many more remote and digital offerings for the last year. In a week, they all went online and digital. Our trainers and community partners stepped up with great insights into the new requirements and health precautions. We continue to maintain a comprehensive collection of data and information on COVID-19.

When there was a need for information, we offered it. We offered Webex discussions with our Congressional leaders. Both John Katko and Anthony Brindisi spent time explaining the new Payroll Protection Program. We helped members understand the new legislation in both Albany and Washington D.C. We became partners with agencies as they helped members make this difficult and challenging transition.

This crisis is far from over. The economic recovery and health threat is still ahead of us. But, given what I have seen so far, we are up to the challenge. MACNY will keep its 107-year-old promise to serve the manufacturing and business community as they chart their course back. We will work with our community partners to address the impacts of high unemployment and the loss of some of our business neighbors. We will find a way – together – to grow once again.

Finally, thank you for working with us through these difficult first weeks of the pandemic. We are grateful for your kindness and patience. We know you are struggling through this crisis with great courage. Also, know we are alongside you to help you through it. We will be successful. We have been through tough times together before. We will overcome this too.



David Freund
Chief Leadership Officer

The Beauty of Uncertainty

Have you ever complained about uncertainty? Complained when you didn't know how things would turn out? Maybe you complained when you were sitting in an airport and saw your flight status move from *On Time* to the dreaded *Delayed* or worse yet *Canceled*?

I suppose that people are correct when they say that we live in very uncertain times; but such is the nature of life. We never know what will happen or when. What if there was a beautiful side to uncertainty? What if uncertainty was a gift, a gift that allowed us to tap into a limitless resource with the power to change our lives and maybe the world? Deepak Chopra put it so well when he said, "If you want access to infinite creativity, you must then surrender to the wisdom of uncertainty and unpredictability."

What did he mean by "surrender to the wisdom of uncertainty and unpredictability"? Let's define some of the key words to see if we can gain a deeper understanding.

To "surrender" means to yield to the power of another. We give up our right to control something or a situation. "Wisdom" is much more than "knowledge;" it's the ability to apply knowledge appropriately. Uncertainty and unpredictability are simply not knowing or having any way to know what might happen.

Chopra is telling us that if we want to access the creative nature within us, we need to stop trying to control everything and embrace the value of uncertainty and unpredictability. The problem most of us have with this is that we like to control things. We like to know what is happening and when things will happen. We are taught to have goals and objectives for our life. We want to plan things out, and then glean the results of our predetermined objectives.

So, is Deepak Chopra right? Have we been taught to shortchange ourselves? I think the answer is yes and no. Let me explain.

Goals and planning are fine. We need to make plans and know what we will be doing throughout the day, week, month, even years at times. However, as I noted earlier, the reality is that life itself is uncertain and unpredictable. If we try to control the uncertain and unpredictable, we only frustrate ourselves, become stressed, and unleash all the health issues that stress precipitates.

Stop trying to control the uncontrollable and embrace the hidden beauty of uncertainty, the beauty of creativity, the beauty of creating something new and exciting that is revealed moment by moment as we travel with it on the road of life. For this to happen, we need to surrender and shift from control to creation, from the self-deception of thinking we know, to asking the liberating question of *what if*.

One of the first benefits of embracing uncertainty is that we can live in the present. We aren't longing for what might have been, but rather enjoying what is. A rainy day that upends our plans for an adventure in the sunshine can bless us like a snow day from our youth—free time to spend with our loved ones, connecting as we reminisce over photos from the past. A change in plans gives us the time to enjoy a simple cup of coffee with a friend. Compare those responses to the focus on frustration over rain that spoiled our outdoor adventure.

Uncertainty moves us off autopilot. Autopilot sounds good but causes us to become lazy and content with the status quo. We settle in and enjoy not having to think or ask what-if questions. Like the frog in the comfortable warm water that just happens to be sitting over a flame, we become clueless about what is happening around us until it's too late. Uncertainty, on the other hand, wakes us up to the fact that the water is getting hot. A jolt from an external factor heightens our senses; we realize the danger and with a sharper awareness, act. Our creativity, ignited by the uncertainty, inspires us to ask *what if*.

As leaders, we have a choice: accept uncertainty as a way of life; or realize and embrace its beauty as an incredible catalyst for an amazing creative future. We can choose to accept the wisdom of uncertainty, wisdom that allows us to apply the knowledge we have already acquired to the unpredictability of life. If you are willing to take this journey, I promise you that it will change your life and maybe, just maybe, you will change the world.

GOVERNMENT RELATIONS

FY2021 Enacted State Budget

Tiffany Latino-Gerlock

Director of Government Relations & Communications

The New York State FY2021 Enacted State Budget was passed by the Legislature on April 2nd. Authorizing billions in spending cuts to address the COVID-19 outbreak, the \$177B budget also includes several measures that could impact your business.

Here is an overview of some of the main budget bills that MACNY and our Manufacturers Alliance Partners had been monitoring since the beginning of the year.

MIAP Funding: The FY2021 Enacted State Budget includes \$750,000 for the Manufacturers Intermediary Apprenticeship Program (MIAP) to ensure the viability and growth of this important program in partnership with our Manufacturers Alliance Partners. We appreciate our Alliance Partners and member companies whose tireless advocacy with us led to continuing MIAP funding. Thanks also to State Senators and Assembly Members who recognized the value of MIAP and labored to ensure that program funding was included in the final state budget agreement.

Employee Voting: From the start of the 2020 Legislative Session, MACNY and many of our members fought to change provisions in the last state budget that provided employees with three hours of paid time off to vote on any election day. Changes in the FY2021 Enacted State Budget reduce that provision from three hours back to two hours. The new law also states that if an employee has four consecutive hours between the opening and closing of the polls and the beginning and end of his/her shift, then that is enough time outside of working hours to vote. If the employee has fewer than the four consecutive hours, he or she may take no more than two hours during work to vote.

Paid Sick Leave: MACNY and many of our member companies had reached out to state legislators to express concern over the paid sick leave program that was proposed in the Executive Budget. The bill that passed as part of the FY2021 Enacted State Budget includes a modified paid sick leave program. An employer that already provides a sick leave policy will not have to provide additional sick time, and an employer can cap the amount of paid sick leave per calendar year.

Here is a breakdown: Beginning January 2021, an employer with four or fewer employees, and a net income of less than \$1M, would have to provide 40 hours **unpaid** sick leave per year. For an employer with four or fewer employees with a net income of \$1M or more: 40 hours paid sick leave. For an

employer with 5-99 employees: 40 hours of paid sick leave. For an employer with 100 or more employees: 56 hours of paid sick leave

Accrual Details: Employees will accrue sick leave at a rate of at least one hour for every 30 hours worked. Unused sick leave shall be carried over to the following calendar year. However, employers with fewer than 100 employees may limit such use to 40 hours per year, and employers with 100 or more employees may limit use to 56 hours per year.

Use of Sick Leave: Employees may make oral or written leave requests for:

- Mental or physical illness, injury or condition diagnosed or requiring medical care
- When the employee or their family is victim to domestic violence, a sexual offense, stalking or human trafficking, and to complete tasks related to such incidents

Definition of a Family Member: An employee's child, spouse, domestic partner, parent, sibling, grandchild, or grandparent; A child or parent of the employee's spouse or domestic partner; "Parent" means biological, foster, step, adoptive or legal guardian, or anyone in loco parentis.

In addition, the final state budget:

- Creates a refundable, discretionary Green Jobs Tax Credit totaling up to 7.5% of wages for each net new job created fostering the expansion of green economy businesses. The State will also create a refundable, discretionary Green Investment Tax Credit totaling up to 5% of qualifying new capital investments in connection with qualifying green economy projects and increasing to up to 8% of eligible investment for research and development.
- Supports the creation of the State's first regional Comprehensive Education and Workforce Training Center in Central New York. The Center will provide specialized educational opportunities and workforce training programs in advanced technologies to students and residents throughout the region. The State will reimburse 98%, or \$71.4 million, of the cost to renovate the building, located in Syracuse.
- Makes the Buy American Act permanent in NY. The Act requires all structural steel and iron used in state road and bridge construction projects, with contracts worth more than \$1 million, be made in America.

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FOOD FOR THOUGHT



Cindy Oehmigen
Director of Energy & Corporate Services

**“For whatever the future holds,
one thing is certain... It just won’t
be the same.” - Alan Moore**

I have been told and have witnessed that change is hard for everyone. In my Continuous Improvement work this is a common barrier for companies to make substantial improvements. It takes careful, well planned conversations to help people learn to reduce fear of the unknown. We ask people to do things differently from what they know and are accustomed to. They have been successful for many years doing something in a particular way. “What if I struggle adapting to a new way? What if I am unsuccessful?” All valid emotions. And often we have not taken the time to help them understand the rewards for taking a leap and the potential consequences of not thinking and acting differently. We might not even know those answers ourselves.

We now find ourselves facing unimaginable challenges brought on by COVID-19. Our daily activities look very different than they did two months ago. Most everyone I know is longing for the “old ways.” As the quote above states, “It just won’t be the same.”

I can’t help but think about what opportunities are out there for our manufacturing community. Not to minimize the tasks ahead of us, but what if we could have significant influence on what that “not the same” looks like. Here’s what I know:

1. None of us want to experience this disruption again
2. Some of us are confident our markets will return
3. Some of us are not confident at all that the customer base will be preserved

How can we actually take advantage of this crisis? How do we take back some control? I am sure I am not alone in wondering about the following:

Internal considerations

1. I am hearing a lot of discussion about how we manage supply chains. Are we victims of our own comfort and are now held hostage by single sourcing? Especially by an overseas supplier. I don’t mean to imply that having a trusted partner is a bad thing. But what about a Plan B?
2. What are the true costs when selecting a supply chain partner? Is it really “cheaper” to source internationally? What about things like political instability, inventory costs, quality costs, transportation cost and time...
3. Communications with supply chain members is so critical. What if the supplier is “next door”? There are advantages to that. I know of some cases where the supplier actually operates inside the walls of the customer. Could you quantify the time and simplicity that brings? It should be a part of the equation.

External Considerations

Selecting customers also warrants some focused thought given how this crisis could change the markets. Many companies have retooled to support the need for Personal Protective Equipment and other critical supplies. A not-so-small contributor to this challenge has been where the capacity to make it morphed. There is little doubt we have lost the capacity to make things we used to make. Pharmaceuticals, glass, and much more. I sense there is a renewed interest in Made in the USA. We have just proven our ability to retool quickly when needed. What support would it take to do more of the re-tooling for long term stability?

1. Mechanisms to encourage capital expenditures to re-tool
2. Programs to help companies re-evaluate the markets they serve. Encourage diversification.
3. Leverage more Business-to-Consumer models. There are amazing analytical tools to help companies be successful with this. We have been forced to get more comfortable with technology. Is there potential to use it more?

Internally we have been having many conversations about the importance of Business Continuity plans. There are a myriad of circumstances that can disrupt a business.

1. Pandemic: This won’t be the last.
2. Cyber breach: Even more prevalent with dependence on technology
3. Weather and natural disasters
4. Loss of a major supplier, especially single sourced
5. Loss of a major customer

This is meant to encourage thinking and planning. What have we learned from what we are going through now? It is a perfect time to be capturing lessons learned and putting them to use.



Eileen Donovan
Workforce Development Coordinator

What is “Workplace Readiness?”

This is not a foreign phrase to Partners for Educations and Business, Inc. (PEB), a MACNY affiliate that has assisted local students in this effort for over 20 years. But what exactly does it mean?

The US Department of Education defines it like this:

*“Workplace readiness traits describe the commonly expected skills that employers seek from most employees, sets of skills and behaviors that are necessary for any job, sometimes called soft skills, employability skills or job readiness skills.”**

These abilities help employees learn how to interact with supervisors and co-workers, help reinforce the importance of timeliness, and build an understanding of how we are perceived by others. Employers value employees who can communicate effectively and act professionally. No matter what technical skills a job may require, every job requires good social skills/interpersonal skills, including:

- Communication
- Positive attitude
- Teamwork
- Problem solving
- Talking/writing
- Cooperation
- Active listening
- Decision making
- Conflict resolution
- Body language
- Empathy
- Professionalism
- Good manners
- Supporting others
- Respectful

Local businesses and manufacturers are acutely aware of workplace readiness; in fact, many will state that these soft skills are as important as being technically proficient. Earlier this year, G.A. Braun Inc.’s Director of Operations, David Welsh, told a group of visiting Corcoran High School students what he would do if he had to choose between someone who was technically proficient or one who was consistently on time, but not yet as skilled. “We can train for the task; we can’t train work ethic,” said Welsh, explaining that he would choose the employee that was workplace ready.

PEB had arranged the trip to G.A. Braun as one of several work-based learning events that comprises PEB’s commitment to the Syracuse City School District’s intention of ensuring that its high school graduates are prepared for work. As the facilitator between manufacturers and schools, PEB appreciates G.A. Braun’s opening their doors to allow students to see what they do and to imagine themselves working at their facilities.

Operations professionals like David Welsh provided feedback to PEB that the lack of workplace readiness among job applicants has led to ongoing job openings at their facilities. He’s not alone. A quick glance at CNY job boards at any given time indicates over 300 good paying jobs, with benefits, to be filled.

*Federal Partners in Transition (March, 2016) What to Know About Youth Transition Services for Students with Disabilities.

PEB's mission is to help prepare local students for jobs in CNY by coordinating work-based learning opportunities, an aspect of a partnership with the Syracuse City School District. During the winter, PEB coordinated job shadow placements over five weeks for eight ITC P-TECH students, several of whom may be seeking employment at the end of this academic year.

Week One entailed daily workshops with local professionals who addressed the students about various aspects of employment, starting with the resume, presented by Christine List, HR Manager at Stone Central. Students learned that actual hiring professionals make split-second decisions about which resumes go into the call-for-an-interview pile, and which do not. List emphasized the importance of attention to detail, such as accurate spelling and proper spacing. She then conducted on-the-spot interviews, an invaluable exercise for these students as they begin their job searches.

On Day Two, Derrick Dorsey, SCSD's Commissioner of Education and Executive Director of the CNY School Boards Association, spoke with the students about communication and professionalism. Dorsey advised, "If you pursue your passion, when you find a job, it'll be your last day of work." Doing what you love, he suggests, is not work at all. He also explained that the students should dress for the job they want, not the job they have, to keep aiming higher. The number of questions indicated that these were inspirational and relevant sentiments to these learners.

Jennifer Peck from Berry Global detailed what's involved in applying for, interviewing, and getting a job, as these are her concerns for her employer. Peck provided practical tips that these students could utilize right away and offered a solid understanding of job expectations.

The last day included a final review of resumes and another round of mock interviews, conducted by Carrie Loomis of United Radio. Following Week One's hands-on participation from these dedicated PEB partners, students set out for job shadow placements at other local employers, Syracuse Label and Surround Printing, TTM Technologies, G.A. Braun and Upstate Farms Dairy, all of whom appreciate the necessity of opening their doors to potential employees like SCSD P-TECH students.

These are just some of the collaborations that PEB continues to make possible for local students and businesses to address our mutual interest in strengthening CNY's workforce pipeline. For more information about our workforce development initiatives contact me directly at edonovan@macny.org,

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WORKFORCE DEVELOPMENT



Martha Ponge
Director of Apprenticeship

Preparing for What Comes Next

You were already on the road to resiliency...and along comes COVID-19.

Now you're forced to reflect on everything you do, have done, and will do to emerge intact from its catastrophic path. You've made the commitment and have applied yourself to strengthening your processes, streamlining where necessary. With the future in mind, you've chosen to develop your workforce. Your support of the apprenticeship program over the past three years represents your belief in continuous improvement, an investment in the long view, in the lasting resilience of New York State manufacturing.

And – for a bit of good news – the State of New York agrees. As an expression of their faith in the value of this workforce development initiative, the state legislature has agreed to fund the NYS MIAP apprenticeship program with no reductions for the coming year. We had anticipated with fingers crossed, that our government partner would demonstrate its support for this program, despite expected cuts across the board. The passage of the FY2021 Enacted State Budget is fantastic news for manufacturing in New York State.

It occurs to me that, through your backing of the apprenticeship program, you've been preparing your employees to become resilient in the face of crisis. Their enhanced technical skills will help your organization weather this business-upending event as we anticipate our new normal when the danger subsides. As the leader of your organization, you've placed your bets on training as the road to strength as you plan to recover and flourish in the days ahead.

We recognize that your job can be grueling on a good day; but what of the apprentice? In the best of times. Advanced

Manufacturing Apprenticeship is a journey that is not for everyone; nor does it lead to successful completion for all who attempt it. The combination of on-the-job training, in-house learning, and after-work related technical instruction is a huge commitment. Staying focused on a goal that exists four years down the road is difficult for even the most disciplined student.

And the rewards are tangible. There is the building and strengthening of a work ethic that results from participation in a registered apprenticeship program; this is a solid foundation for success in manufacturing. Camaraderie and teamwork lead to lifelong friendships as cohorts of apprentices perform hard work together. Such a journey requires strength and dedication, the prize being well-deserved pride and dignity, and a clear path to career success.

These training-tested apprentices will comprise the dedicated workforce that will support your business as you have backed them through the attainment of journey-worker status.

Please be assured that during this time of unprecedented challenge, MACNY is working behind the scenes to help you and your apprenticeship program return to normal as soon as is safely possible. You need only to focus on yourself, your business, and your employees, as you begin to adjust to the new normal. We are here to help as soon as you are ready. Please don't hesitate to reach out to us.

We value your prior participation in this vital workforce development initiative and anticipate that apprenticeships will continue and expand when this crisis abates.

In the meantime, take special care of yourself and know that we will get through this together.



Contact Martha Ponge, mponge@macny.org, for more information about apprenticeship programs.

Key Considerations of the CARES Act for Manufacturers

Alex J. Nitka, CPA

Dannible & McKee, LLP



You have been inundated with information related to the Coronavirus Aid, Relief and Economic Security (CARES) Act since Phase III was signed into law late on March 27. Now that you have all the facts, it is time to implement an action plan that will help your company navigate these unprecedented times by fully utilizing the resources made available.

Workforce Considerations

Due to the pandemic, many manufacturers are finding it increasingly difficult to keep employees productive. The CARES Act provides one major incentive that should be considered when deciding whether to lay off employees. Unemployment insurance provisions now include an additional \$600 per week payment to each recipient for up to four months. When \$600 is added to the state unemployment already available, it is likely employees may make more money in the interim period on unemployment than as an employee. While laying off employees may negatively affect the company's unemployment rating, the additional Federal unemployment compensation to the employee should be considered. It is a potential win-win in the near term.

Tap into Available Funding

A key component of the CARES Act was a provision authorizing the Small Business Administration (SBA) to administer several loan programs for companies impacted by the Coronavirus pandemic. Although the first round of funds available through the Paycheck Protection Program and the Economic Injury Disaster Loan and Loan Advance Program ran out by April 16, 2020, additional relief funds were added to the CARES Act, and the SBA resumed accepting applications on April 27, 2020. Loans are awarded on first come, first serve basis, so it is critical that manufacturing companies act fast. These funds are expected to go even faster than the first round.

Business Tax Incentives

The CARES Act also included several business tax incentives for small businesses, including many manufacturing companies. It is important to analyze whether the loan programs or the tax incentives would be more beneficial for your company. In most cases, you cannot take a credit or other tax benefit for the same costs paid for by funds received as part of the Paycheck Protection Program. There are two payroll related tax incentives that manufacturing companies should strongly consider in the short term:

- Employee Retention Credit – A refundable tax credit is allowed with the filing of payroll tax returns of eligible employers. The credit is equal to 50% of wages paid to certain employees after March 12, 2020, and before January 1, 2021. Wages are capped at \$10,000 per employee, which means the maximum credit allowable is \$5,000 per eligible employee. The credit is not available to employers receiving Small Business Interruption Loans.
- Deferral of Employer Payroll Taxes – This provision allows for the Social Security taxes of the employer to be deferred for up to two years for taxes incurred from March 27, 2020, through December 31, 2020. The employer portion of payroll taxes will be due in two installments. Half of the deferred tax will be due December 31, 2021, with the remaining half due December 31, 2022. This deferral does not apply if the wages were used to determine the amount forgiven under the Paycheck Protection Loan Program.

Informed with the information above, it is now time to contact your bank and your CPA. This team will be critical in helping to navigate the process to make it through this crisis financially stable. Most importantly, stay safe and healthy!

Alex J. Nitka, CPA, is a tax partner with Dannible & McKee, LLP, a Syracuse, New York based public accounting firm with more than 95 professionals. The Firm has specialized in providing tax, audit and accounting services since its inception in 1978. For more information on this topic, you may contact them at (315) 472-9127 or visit online at www.dmcipas.com.



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