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AAAMS, Inc.

DBA New York State Automotive Aftermarket Association

Serving the Automotive Aftermarket in North Carolina, South Carolina, Tennessee, Virginia, and New York



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Industry News

Ongoing Supply Chain Disruption Creates Opportunity

***Companies That Prioritize a Reliable Supply Chain Can Gain Market Share in 2022
Delivery Times to Improve***

Businesses that prioritize supply chain reliability can gain a competitive advantage in the year ahead, according to a 2022 outlook report recently released by Umpqua Bank, "Headwinds & Opportunities: Economic Trends & Predictions for Businesses in 2022."

"As we look ahead to 2022, supply chain issues will likely improve but remain challenging," said Richard Cabrera, head of middle market banking at Umpqua. "To stay competitive, companies will need to have a detailed understanding of their supply chain relationships and, if needed, alter how they buy raw materials to manufacture products better, more efficiently, and more cheaply. Manufacturers, distributors and other enterprises that can successfully navigate ongoing supply chain disruption will have a strategic advantage over many of their competitors."

Notable supply chain insights from the report include:

- Businesses should see a gradual improvement of supply chain fluidity as companies play catch up. Delivery times will narrow and become more reliable.
- An anticipated shift in consumer spending from goods to services should also help ease some of the pressure on the system, and delivery times will improve.
- Businesses should learn lessons from recent supply chain disruptions and carefully reevaluate their sourcing, inventory, manufacturing, and pricing strategies.
- Companies that prioritize a reliable supply chain can gain market share in 2022. Business leaders should ask where their supply chain is most vulnerable and how to solve for it.
- To solve supply chain challenges, companies shouldn't be afraid to borrow, but not in excess. Businesses should carefully manage inventory at levels where they're relatively confident it can be liquidated.

For the full report, visit: www.umpquabank.com/2022-trends.

Legal/Legislative

Social Security Changes Coming in 2022

Cost-of-Living Adjustment (COLA): Based on the increase in the Consumer Price Index from the third quarter of 2020 through the third quarter of 2021, Social Security and Supplemental Security Income (SSI) beneficiaries will receive a 5.9 percent COLA for 2022. Implemented back in the 1970's COLAs are designed to help seniors maintain their buying power when inflation causes the cost of goods and services to rise.

A higher tax cap: Workers will contribute 6.2 % of their earnings to Social Security until their income exceeds \$147,000 in 2022, up from \$142,800 in 2021.

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Social Security Changes

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Those that earn more than the taxable maximum will not have those earnings taxed by Social Security or used to calculate retirement benefits.

Larger earnings limits: Retirees who work and collect Social Security benefits at the same time, will be able to earn slightly more in 2022. Those who are under their full retirement age can earn up to \$19,560 in 2022, up from \$18,960 in 2021. One dollar in benefits will be withheld for every \$2 in earnings above the limit.

The year in which an individual reaches full retirement age, in this case 2022, the earning limit will be \$51,960 up from \$50,520 in 2021. This applies only to earnings for the months prior to your birthday and attaining the full retirement age. One dollar in benefits will be withheld for every \$3 in earnings above the limit.

Beginning the month an individual reaches their full retirement age, there is no penalty for working and claiming retirement benefits and your benefit will be recalculated to give you credit for any withheld earnings.

An older full retirement age: Social Security's full-benefit retirement age has increased gradually due to legislation passed by Congress in 1983, increasing in 2 month increments in subsequent years until now when it reaches age 67 for everyone born in 1960 or later. Benefits taken at age 62 will be reduced by 30% of the full benefit. Benefits taken at age 65 will be reduced by 13.3 % of the full benefit.

There is a financial bonus for delayed retirement. An individual reaching the full-benefit age in 2022, receives an 8% increase for each year they delay collecting benefits up to age 70. When the full-benefit age reaches 67, benefits claimed at age 70 will be 25 % higher due to that delay.

The maximum retirement benefit for someone who files at their full retirement age (FRA) in 2022 is \$3,345 a month. The maximum retirement benefit for those that wait until age 70 will be \$4,194 a month in 2022. The maximum retirement benefit for someone who files at age 62 is \$2,364 a month in 2022.

Medicare taxes for 2022: The Medicare portion is 1.45 % on all earnings. Individuals with earned income of more than \$200,000 (\$250,000 for married couples filing jointly) and \$125,000 for married taxpayers filing a separate return, will be assessed an additional 0.9 percent in Medicare taxes on all earnings over the limits listed above.

Bigger payments: The estimated average monthly Social Security benefits payable in 2022 after the 5.9 % COLA adjustment are expected to be: \$1,657 for all retired workers, \$2,753 for aged couples who are both receiving benefits, \$3,187 for a widowed mother with 2 children and \$1,553 for an aged widow or widower.

Medicare Premium Increases: Many seniors who are on Medicare and Social Security at the same time opt to have their Part B premiums paid directly from their Social Security benefits. Not only does this eliminate the hassle of having to send those premiums in, it also buys seniors some protection thanks to Medicare's hold-harmless provision.

This provision states that a senior on Social Security can't take a hit in benefits if Part B premium increases outpace a COLA for a given year. In other words, if a COLA adds \$15 a month to a senior's benefits, and Medicare goes up \$16 a month that same year, the most that senior will pay as a Part B increase is \$15.

Medicare Part B which covers physician services, outpatient hospital services, certain home health services, plus durable medical equipment will have a standard monthly premium of \$170.10 in 2022 for those whose modified adjusted gross income is less than or equal to \$91,000.

A modified AGI greater than \$91,000 and less than or equal to \$114,000 will have a monthly premium of \$238.10. An AGI greater than \$114,000 and less than or equal to \$142,000 will have a monthly premium of \$340.20 and an AGI greater than \$142,000 but less than or equal to \$170,000 will have a monthly premium of \$442.30.

The change in monthly premiums reflects the need to maintain a contingency reserve for unanticipated increases in health care spending, particularly certain drug costs. There is significant uncertainty regarding the potential for future coverage of clinician administered Alzheimer's drugs, requiring the additional contingency reserves.

To get a personalized estimate of your future benefits, you will need to go to www.ssa.gov to create an online mySocial Security account.

2022 Standard Mileage Rates for Business, Medical and Moving Purposes

The Internal Revenue Service (IRS) released Notice 2021-251 on December 17, 2021 providing the 2022 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on January 1, 2022 the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 58.5 cents per mile driven for business use, up 2.5 cents from the rate for 2021.
- 18 cents per mile driven for medical or moving purposes for qualified active-duty members of the Armed Forces, up 2 cents from the rate for 2021.
- 14 cents per mile driven in service of charitable organizations; this rate is set by statute and remains unchanged from 2021.

The standard mileage rate for business use is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

It is important to note that under the Tax Cuts and Jobs Act, taxpayers cannot claim a miscellaneous itemized deduction for unreimbursed employee travel expenses. Taxpayers also cannot claim a deduction for moving expenses, unless they are members of the Armed Forces on active duty moving under orders to a permanent change of station.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates. Taxpayers can use the standard mileage rate but must opt to use it in the first year the car is available for business use.

Then in later years, they can choose either the standard mileage rate or the actual expenses. Leased vehicles must use the standard mileage rate method for the entire lease period (including renewals).

Notice 22-03, contains the optional 2022 standard mileage rates, as well as the maximum automobile cost used to calculate the allowance under a fixed and variable rate (FAVR) plan.

In addition, the notice provides the maximum fair market value of employer-provided automobiles first made available to employees for personal use in calendar year 2022 for which employers may use the fleet-average valuation rule or the vehicle cents per mile valuation rule.



New York Paid Family Leave Update 2022: Rate & Maximum Contribution

In 2016, New York State enacted the nation's strongest and most comprehensive Paid Family Leave policy so working families would not have to choose between caring for their loved ones and risking their economic security. Paid Family Leave provides eligible employees up to 12 weeks of job protected, paid time off to:

- Bond with a newly born, adopted, or fostered child
- Care for a family member with a serious health condition or
- Assist loved ones when a spouse, domestic partner, child or parent is deployed abroad on active military service

In November 2021, Governor Kathy Hochul signed legislation to further strengthen Paid Family Leave by expanding family care to cover siblings, effective January 1, 2023.

The maximum contribution rate will be 0.511 % of the employee's gross annualized wages, which includes a 0.005 % risk adjustment for COVID-19 quarantine claims. The maximum employee contribution is set at \$423.71 per year.

The maximum contribution rate will be assessed on yearly wages up to \$82,917.64 or \$1594.57 a week, resulting in a maximum weekly benefit of \$1068.36 or 67 % of the employee's Average Weekly Wage.

Source: www.shelterpoint.com

Management Notes

Increase Sales by Getting Back to Basics

By John Chapin

The greatest in any field of endeavor have always been great at the basics. Vince Lombardi, the great Green Bay Packers coach, said football comes down to two things: blocking on offense and tackling on defense, and his great Packer teams spent 80% of their time on those in practice. Red Auerbach, who coached the Boston Celtics to eight consecutive championships, had his players practice free-throws and shots from very short distances over and over again. Bruce Lee, Pavarotti, Tiger Woods, and all the other greats have always known the importance of focusing on and mastering the basics in order to be successful. The same is true in selling. When it comes to sales and selling, there are certain key basics to follow that ultimately lead to sales success.

The 5 Basics to Sales Success

Basic Principle 1: Have a daily plan and get that plan done.

In addition to annual, monthly, and weekly goals, you need a goal and plan for daily activity. How many sales, proposals, and prospects do you need and how many calls and contacts do you need to make each day to get those? Whatever that goal is, your objective is to not only hit but exceed that goal, even if it's only by one or two calls. By the way, you should be prospecting every day. It keeps you sharp and consistent.

Basic Principle 2:

Spend 80%, or more, of your prime hours on key sales activities.

The three activities you should be spending the majority of your time on during the work day are: prospecting, presenting, and closing. That's it. Everything else should be delegated or done during off-hours. Yes, things will come up during the day that you need to handle. That said, if you're focused on these three activities and adamant that you will do as much of them during the work day, avoiding procrastination and other time wasters, you'll rarely have to worry about your sales numbers.

Remember: Sales IS a numbers game. Yes, relationships and the quality of those relationships are important, but to have the number of relationships you need, you have to be talking to lots of people. It's simple, the more people you talk to, the more business you will do. Even a blind pig finds corn if it digs enough. If you talk to enough people during the day, you'll eventually run into someone who says 'I need what you have' or 'I know someone who needs what you have.'

Basic Principle 3: Get great at selling.

After activity, making enough calls on qualified prospects, developing great sales skills is the second most important principle. If you are highly skilled at knowing what to say and do in all sales situations, your sales will skyrocket, assuming you're making the necessary calls. The better you know how to get to a prospect, get their attention and keep it, match solutions, listen, present, handle objections, close, etc., the more effective you'll be and the more sales you'll make.

The fastest way to get great at selling is to one: make sales a study, and two: do what the top salespeople do. Become a student of selling, be a sponge, read, listen to, and watch anything you can on the subject of selling. Invest in good books, audio, or other programs, from actual top salespeople and trainers who have 'been there, done that', and go through the material thoroughly. Next, find the top salespeople in your company, your industry, and in other industries. Call them on the phone, e-mail them, or otherwise get in touch with them and ask them what makes them successful. It's simple, if you do the same things as top salespeople, you will get the same results.

Basic Principle 4: Get back to personal communication and build relationships.

In-person is still the best way to contact people and stay in touch. With all the technology at our disposal, there can be a tendency to use it too much. In-person communication has been replaced by e-mails, text messages, video conferencing, and other less-personal communication. Make more in-person cold calls and visits to customers to say "hello", drop off the proposal instead of mailing or e-mailing it, and to follow up in person instead of trading voice messages. You should also be sending hand-written thank-you notes, birthday cards, holiday cards, and anniversary cards. Your objective is to have more personal contact at a time when your competitors are calling less and being less personal. At the end of the day, it's all about people and relationships. You have to connect with people on a personal level and stay in communication and continue to build the relationship.

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Increasing Sales by Getting Back to Basics

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Basic Principle 5: Work hard and smart.

We talked a bit about working smart when we talked about finding the top salespeople and doing what they do. Success leaves clues. You don't want to reinvent the wheel and you don't have to, simply find out what makes the top salespeople the top salespeople and do what they do. You also want to use best practices in your industry. Look for ways to work more efficiently.

In addition to working smart, you have to work hard. It takes time to make the necessary initial calls and follow-up calls. You may have to make more calls and work more hours in order to find the prospects and make the sales. In addition, every day you have to work hard on your mental attitude, on keeping negatives out, on staying motivated, on building your network, and on everything else that your selling career involves.

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Association News

Automotive Aftermarket Scholarships

Thinking about an automotive aftermarket career? Good choice! Servicing or supplying parts to more than 308 million vehicles in the U.S. and Canada can be a very rewarding career. An automotive scholarship can help pave the way.

Scholarships are available for full-time students attending a U.S. or Canadian college or ASE/NATEF certified post-secondary school for automotive, heavy duty or collision repair technicians and to students in business, marketing, engineering or other major courses of study.

The University of the Aftermarket Foundation (UAF) and collaborating organizations, including AAAMS and NYSAAA, award automotive scholarships each year. Your on-line application will automatically be considered by every organization where you meet their qualifications.

More than 3,950 scholarships have been awarded by the University of the Aftermarket Foundation and all of the collaborating organizations since 1998. To complete the on-line application, please visit the UAF website at www.automotivescholarships.com.

AAAMS and NYSAAA applicants can use the AAAMS/NYSAAA link on the website as listed above. The Directors and Scholarship Committees have awarded many scholarships for over 30 years.

Last year through the University of the Aftermarket Foundation, there were 450 scholarships awarded totaling \$654,500.00...that amount is up \$79,900.00 from the previous year.

The funding of these Scholarships is made possible by an existing Grant and additional donations and pledges from various companies and organizations such as: Auto Value, Bosch, Bumper to Bumper, Federated, Fisher, Gates, Mitchell 1, PPG Platinum, Pronto, Standard Motor Products and the Women in Auto Care Council.

The University of the Aftermarket Foundation continues to lead the way with over 150 grants awarded and is working diligently to expand the number of scholarships and educational opportunities that are available in order to help develop a strong aftermarket workforce.

The collaborating organizations are mainly composed of the numerous State Associations throughout the United States and Canada. Included in these figures are the 2021/2022 Scholarships awarded by AAAMS and NYSAAA...

AAAMS Scholarship (\$1,000)

Sarah Mercer, Wilson, NC (East Carolina University)

AAAMS Scholarship (\$1,000)

Tazewell Steed, Raleigh, NC (N.C. State University)

NYSAAA John J. Lorenzen Memorial Scholarship (\$1,000)

Daniel Eckert, Marilla, NY (SUNY Erie)

NYSAAA Debbie J. Tranello Memorial Scholarship (\$1,000)

Jhomar Ortiz, Bronx, NY (Alfred State College).

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Automotive Aftermarket Scholarships

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Members in our four (4) Southern States are probably not familiar with the New York Memorial Scholarships, so we are outlining the parameters below:

These funds are to financially assist those persons wishing to continue their education beyond the secondary level in pursuit of a career in the Automotive Aftermarket, which encompasses the replacement parts distribution industry and the high tech diagnostic repair industry. To be eligible for these scholarships, an applicant must be:

- A high school senior who has a good academic standing and is currently involved in a class which may be related to the automotive industry;
- Enrolled or planning to enroll full-time in an accredited college or university and working or planning to work toward an Associate or Bachelor's Degree;
- A high school graduate or holding a GED certificate and currently employed in the Automotive Aftermarket Industry;
- A high school graduate or holding a GED certificate and are recommended by a current AAAMS dba NYSAAA Member;
- Committed to a career in the Automotive Aftermarket Industry and enrolled in a college or a university that will prepare a student for such a career.

There will be a minimum of one (1) NYSAAA Scholarship awarded each year...the dollar amount(s) will be determined by the yearly contributions and will be made payable to the enrollment verified College or University.

2022 Association Membership Renewal Drive Begins

AAAMS/NYSAAA has one common goal, and that is to put brands aside and work together to promote the automotive aftermarket industry. Your support, combined with others like yourself, enables your Association to offer an extensive menu of member services and programs for the exclusive use of its members. Equally important, Association members are represented at the national level through our affiliation with the Auto Care Association and the Alliance of State Automotive Aftermarket Associations (ASAAA), as well as at the local level in our five states.

Each and every member is a valuable component of this Association and to its success. Show support of your regional, non-profit trade association and the automotive aftermarket industry by renewing your membership dues upon receipt of your dues invoice in 2022.

Thank you for allowing us to be of service to you and your company.

Here's to a Prosperous 2022!!!

2022 Vacation and Absentee Calendars

AAAMS/NYSAAA is pleased to include a 2022 Vacation Schedule and 2022 Employee Absentee Calendar in this issue of our newsletter -- pages 7 and 8. Feel free to copy as many as you need, or email Randy Lisk at rlisk@aaamsonline.com for additional copies.

— Randy Lisk, Executive Vice President

Employee Attendance Calendar 2022

Employee Name _____		Employee # _____	
Department _____		Position _____	
Hire date _____			
Attendance codes	G. Injury on job	J. Jury duty	PT. PTO
B. Bereavement	H. Holiday	L. Labor Day weekend	S. Suspension
D. Doctor's appointment	I. Illness	N. No call/no show	T. Tardy
F. FMLA	J. Jury duty	P. Personal	U. Unexcused
			V. Vacation

January							February						March							
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31																				

October							November						December							
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30	31																			



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