



The Retail Review

THE OFFICIAL NEWSLETTER OF THE
RETAILERS ASSOCIATION OF MASSACHUSETTS

November/ December 2020 Edition

*2021 Holiday Calendar
available to download.
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www.retailersma.org*



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Legislative Progress on FY21 State Budget, Session Enters Final Weeks

The MA House of Representatives and Senate finished their separate work on the state budget in mid-November, before moving final negotiations on the \$45.6 billion spending plan behind closed doors and into conference committee.

All of the amendments RAM opposed in both the House and Senate debates were defeated, including proposals such as to establish an online lottery, expand the Bottle Bill, expand paid sick leave, and more. The main budget issue RAM has worked on this year continues to be our opposition to the "Real Time" sales tax collection, or a daily remittance requirement. We were pleased to see both branches of the Legislature continue to support our position on this issue, as it was rejected by both branches.

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RAMHIC's 3% Discount Has Saved Program's 450 Participants \$1.5 Million in Premium in 2020

As the largest health insurance cooperative in the Commonwealth, RAMHIC offers all BCBSMA small group plans with additional free insurance benefits exclusive to RAM members. Whether you are a business about to renew your health insurance policy or looking to offer coverage through your business for the first time, RAMHIC provides members with access to important money saving discounts and value added benefits on a range high quality health insurance plans. Join the increasing number of RAM members taking advantage of the Association's fastest growing membership benefits program to start saving now.

Our Carriers

All small group plans offered by Blue Cross Blue Shield of Massachusetts, and a select number of plans offered by Fallon Health, can be purchased through the RAM cooperative at a 3% discount off available rates. If your business is enrolled in a small group offering by either of these carriers, you may be leaving money on the table by not renewing through the cooperative in 2021.

How to Get Started

To learn more about plans eligible for the discount and to request a rate quote, members may contact their existing broker or our carriers directly and ask about your RAMHIC options. For more information regarding these offerings as well as additional ancillary benefits of joining the cooperative please visit our webpage at www.retailersma.org/RAMHIC.

Members may also contact RAM General Counsel, Ryan Kearney, at 617-523-1900 or via email at rkearney@retailersma.org



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A Letter from the President

Come January, countless small business owners will review their receipts and expenses and decide if they can stay open. They will be making that heart wrenching decision at a time of great uncertainty. Can they take the risk that they can bring consumers back into their stores and restaurants and drive up sales to cover their expenses, or are the costs of operating just too much?

Four major pressure points for small business in Massachusetts are state government mandated cost drivers that are coming their way.

On January 1, 2021:

- The third annual minimum wage increase on the journey to \$15 will occur. The 5.8% increase will create further wage compression up through the wage scales, not just for new hires.
- Health insurance premiums for small businesses will increase by an average of 7.9%, despite the low utilization brought about during the COVID crisis. As is usually the case, the increase is a rate far higher than is typically seen by big business and big government.
- Benefits for the new Paid Family & Medical Leave law will become effective, adding red tape and compliance headaches to the payroll taxes already underway.
- And finally, unemployment insurance tax rates will be boosted dramatically through either experience rated tax schedule increases, or socialized solvency fund assessments—or both—to cover what is expected to be as much as \$5 Billion of federal borrowing to cover the landslide of layoffs. The level of borrowing to cover the UI Trust Fund deficit, and the ultimate cost is unprecedented, and current public policy puts the entire cost on the backs of local employers, especially smaller employers. Even before COVID-19, Massachusetts had the highest UI tax rates in the nation. And keep in mind most of those layoffs were not at all the fault of the small business owners; rather they came by government shutdown orders, and in the wake of the continuing economic damage of the COVID-19 crisis.

Will our public policy leaders seek ways to lower those very high mandated payroll costs—particularly small business health insurance premiums and unemployment insurance taxes, while our businesses fight to bring their customers back?

In addition to controlling government mandated costs, we also need our consumers to spend locally in an age that they can send those dollars anywhere. In too many cases the economic investment of our own consumers is simply leaving the local economy. That spending needs to swing back, particularly as we enter the vital holiday sales season.

Convincing our shoppers and diners to trust the state government COVID-19 orders, and the national and industry safety protocols is vital to bringing back sales. Consumers need to know that small businesses are in many cases exceeding state orders, and are focused on giving their customers a safe and pleasant experience, which will bring them back again and again. But they need to hear that messaging not only from the small businesses themselves, but also from our elected leaders, our healthcare leaders, and opinion leaders in our various industries and our communities.

Consumer spending represents 70% of our economy. It matters where we spend those dollars, and that message must be repeated over and over again. Yet sales are only half the equation concerning the future viability of a small business; the other half is comprised of the costs of doing business. Consumers and elected officials alike hold the future of Massachusetts Main Streets in their hands with the decisions that they will make.

Sincerely,

Jon B. Hurst

President



MA Wage and Hour & Paid Family and Medical Leave Law Changes Effective January 1, 2021

RAM Releases 2021 Retail Holiday Calendar

Members are reminded that the following changes to the Massachusetts Wage and Hour Law and Paid Family and Medical Leave Law are scheduled to become effective January 1, 2021. To facilitate compliance, RAM has released our **2021 Retail Holiday Calendar** which may be found on the RAM website under membership benefits. The upcoming changes include the following:

Wage and Hour Law

- Minimum wage increases to \$13.50 per hour (currently \$12.75)
- Tipped wage increases to \$5.55 per hour (currently \$4.95)
- Retail Premium Pay requirement reduces to 1.2 times the employee's regular hourly rate for work performed on Sundays and the holidays of Memorial Day, Juneteenth*, Independence Day and Labor Day. Premium pay on New Year's Day, Columbus Day and Veteran's Day remains at one-and-one-half (1.5) times the employee's regular rate until further notice.
 - Juneteenth Independence Day has been established as an official state holiday in Massachusetts, commemorating the end of slavery in the United States. For the first time this year, non-exempt retailers are required to adhere to retail premium pay and voluntariness requirements for work performed on June 19th.

Paid Family and Medical Leave Law

Starting January 1, 2021, most types of leave required under the new law will become available to employees, including:

- medical leave to manage one's own serious health condition
- family leave to manage family affairs of a family member on active duty overseas, or to care for a covered military service member
- family leave to bond with a child newly born, adopted, or placed in foster care

All other family leave benefits to care for a family member with a serious health condition will become available on July 1, 2021.

The Department of Family and Medical Leave (DFML) has issued comprehensive guidance to assist employers with implementation and compliance with the law. Aside from providing leave, the guidance covers other considerations that employers should be aware of including the law's interaction with other forms of leave, intermittent use, job protection and non-retaliation provisions, and the employer role in the claims process. RAM strongly advises members to visit the DFML website to review this guidance and familiarize themselves with their rights and obligations under the law.

(<https://www.mass.gov/orgs/departments-of-family-and-medical-leave>)

Members are also urged to contact their payroll company and/or legal representatives now to explore compliance options. Members with questions may also contact the RAM office at 617-523-1900.

The House and Senate did adopt language to establish an advanced payment, or prepayment, of sales tax, similar to what was proposed by the Governor. The specifics of the proposals differ from the House to the Senate, so the matter will have to be resolved in conference. Both proposals would require an early remittance scheme for certain tax filers, specifically those vendors with \$150,000 or more in annual sales tax liability. The proposed language calls for the actual tax collected in the first 21 days to be remitted by the 25th day of the same month, with the remainder of the month's collections being reconciled by the end of the following month. RAM is working to amend the language to add in a safe harbor option to base the prepayment off of a percentage of the same month the preceding year, or off of the previous month, versus actual collections from the first 21 days of the month. Allowing such an option will simplify compliance for retailers who would have difficulty remitting actual tax collected in less than four days.

The Senate budget did also include a proposal to allow the use of debit cards for lottery purchases, but requires the Lottery Commission to cover the associated transaction fees. The Conference Committee was continuing to work toward a resolution after Thanksgiving.

Due to the pandemic, the Legislature extended the session in July through the end of the year, making this the first lame duck session in 25 years. Other unresolved matters still alive include five major issues still pending before separate conference committees. Those committees are reviewing legislation relative to transportation financing, health care costs and telehealth services, policing reform, climate change, and economic development. In the economic development conference, conferees must resolve differences related to the authorization of sports gambling, and an important Senate adopted provision making a technical correction to the "Grand Bargain" of 2018 that completes the phase out of state mandated holiday premium pay for most retail employees. The Senate language adds New Year's Day, Columbus Day and Veteran's Day to the current phase down schedule established in the Grand Bargain for all Sundays and the other three state holidays.

Also, RAM is monitoring competing legislation, S.2338 and H.4900, relative to prohibiting the use of harmful flame retardants, that is currently sitting in either branch. Similar legislation was pocket vetoed by Gov. Baker at the end of the 2017-18 session. The bills prohibit the sale of certain categories of products, children's products, upholstered furniture, carpeting, bedding and window treatments, that contain any of a laundry list of chemical flame retardants. The Senate version exempts electronics, while the House version does not. RAM continues to identify and work with impacted members, their suppliers and manufacturers to relay our concerns. ■

Bob Phibbs, is the Retail Doctor; a speaker, author of three books and retail sales expert of choice for some of the most legendary retail brands including, LEGO, Omega, and Yamaha. With over 30 years' experience, beginning in the trenches of luxury retail and extending to senior management positions, he has been a corporate officer, franchisor, and entrepreneur.

He and his work have appeared in the New York Times and the Wall Street Journal. He also performs business makeovers for the Los Angeles Times. He received the highest increase in sales from South Coast Plaza, the highest-grossing mall per square foot. He is one of the top retail influencers in the world.

Bob Phibbs, the Retail Doctor, Addressed Members at the 102nd Annual Meeting on November 19, 2020



The Game Has Changed, It's Better

Covid-19 brought a world of change to everyone and no one more than retailers. While shopping patterns are becoming normalized, what should retailers understand about the new retail landscape and what clues can guide them towards the future?

1. How and why to remain hopeful about retail
2. How to create a positive environment in your store for the sake of sales
3. The competitive focus you need to win against digital and physical competitors.

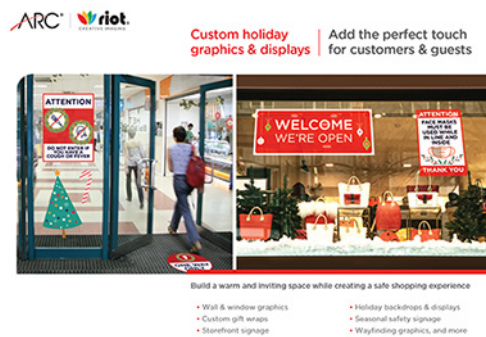
Visit RAM's website to watch Bob's presentation.

Signs

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Times



People tend to ignore information that overwhelms them. It's far easier to tune out lots of information than it is to take in of a lot of data and process it.

Keeping this simple observation in mind can help keep employees and customers safer as retailers continue to help customers and employees cope with COVID-19.

"It's easy to forget how powerful a simple sign can be in helping people feel safe," says Philip Bush, a consultant with ARC, a digital print and graphics imaging consultancy with locations in Massachusetts, New York, New Jersey, and Connecticut. The company has decades of experience using graphics to communicate in built spaces, and they recently offered some advice on how to use signs and graphics to operate retail establishments safely.

"We're trying to change behavior," says Bush. "So you want your message to capture attention where and when it's needed." That's why ARC's consultants recommend fewer and larger graphics for big messages. From department stores to small boutiques, many small decals on chairs or the floor may be needed to show employees or customers where to sit or stand, but one big banner next to the store's main display entrance is likely to be your best bet for a directive explaining that masks are required to enter the space.

Also, they say, make the message about the people not the place.

If you work in a women's clothing store, for example, social distancing signage for women should be different than it would be for men. Stores are similar, but customers aren't. Not only do you want to gauge how your customers deal with facts and directions, but you want to have a consistent brand "voice" in any communication, regardless of your message.

Consider color and other brand identifiers in safety graphics. Social distancing signs don't always have to be bright yellow or red. Rather than turn your customers' attention to the dangers of the virus, help them understand how you're helping to keep them safe, and explain it in ways that are consistent with your brand.

Recently, ARC says they are seeing more safety signs and graphics that have a more friendly, holiday feel. While a universal icon for a person might be clear, lots of retailers have made the switch to an icon with an elf hat, or even an elf instead of a person. Making these changes can often draw attention to messages that might be overlooked and encourage conversation and engagement with customers.

Finally, walk around your space as though you're a staff member to think through where a person might need a reminder or a cue to alter their behavior, or where a sign might help. Do the same walk-thru exercise as a client, a delivery person, or a cleaning service employee.

Listen to customers and employees as well as watch traffic in your store. Poll your staff. Comply with state or municipal guidelines and engage your customers. Find out what works, what doesn't, and adjust as you go along.

"We can continue to operate our retail environments safely," says Bush. "We just need to be clear about what people are supposed to do, where they need to go, and how they need to behave. Reiterating the voice of your brand in graphics, thoughtful placement, and good design can go a long way to help."

For more information, please contact

Philip Bush, Director, Business Development, ARC Document Solutions at 617-510-3879 or Philip.bush@e-arc.com

To view full catalog visit: <https://www.riotcolor.com/total-solutions/retail/>

401k Quick Tip #2

"Free 401k?"

The Federal Government passed the Setting Every Community Up for Retirement Enhancement Act, SECURE Act, earlier this year, which provided a sweeping overhaul of many plan provisions. The intent of these policy additions and revisions was to expand the availability of qualified retirement plans for as many Americans as possible. With that goal in mind they have provided some serious incentives!

Increase credit limitation for small employer pension plan startup costs (Section 104)

Increases the credit by changing the calculation of the flat dollar amount limit on the credit to the greater of: (1) \$500, or (2) the lesser of: (a) \$250 for each employee of the eligible employer who is not a highly compensated employee and who is eligible to participate in the eligible employer plan maintained by the eligible employer, or (b) \$5,000. The credit applies for up to three years.

Small employer automatic enrollment credit (Section 105)

Creates a new tax credit of up to \$500 per year to employers to defray startup costs for new 401(k) plans and SIMPLE IRA plans that include automatic enrollment. The credit is in addition to the plan start-up credit allowed under present law and would be available for three years. The credit would also be available to employers that convert an existing plan to an automatic enrollment design.

The tax credits listed above coupled with the low costs, administrative and fiduciary outsourcing associated with our MEP 401k offered through RAM can provide a win, win for you, and your employees. Want to learn more? Send an email request to team@retail401k.com

Questions about PPP Forgiveness?



Wondering how to
restructure your business
around COVID?

Let us walk you through our
payroll best practices to identify
where you can save.

GET IN TOUCH FOR A FREE BUSINESS REVIEW!

For Details, Get Connected With
Matt Venuto

(781) 941-6107
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Athena's Restaurant, Inc. Lee	Cerrato's Pastry Shop West Springfield	Danvers Automotive Center Danvers	Ivory Pearl Brookline
Bill's Truck Repair, Inc. Assonet	CommCan, Inc. Millis	Dunkin Stoneham	JP Rivard Trailer Sales, Inc. North Chelmsford
Bread & Salt Hospitality Somerville	Concepta Software Solutions Boston	Essex County Auto Repair Middleton	Kingston Island Cuisine Fitchburg
Broadway Tire & Auto Company Lawrence	CopyCat Northampton	European Bakery Worcester	LAX United Marketing Woburn
Bud's Goods & Provisions Corp. Worcester	Corrib Pub Brighton	Experimax Burlington	Louis W. Mian, Inc. Boston
Cafe Roma New Bedford	Corrib Pub West Roxbury	Fitchburg Hardware Company Leominster	MA Broken Stone Co. Berlin
Calabria Ristorante Millbury	Country Club of Pittsfield Pittsfield	Frank Anthony's Gourmet Market Andover	New England Pawn Fall River
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Lowell

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Seekonk

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West Springfield

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