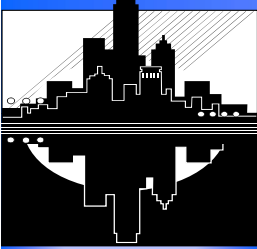


# IMCA NEWSLETTER

Volume 18, Issue 5, September/October 2009



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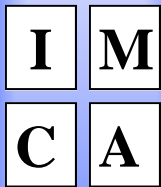
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## Thank You for Being Who Your Are, *by David Goforth*

Just outside the open glass doors stands a man. His name is Roger and he's in the moment. If you've ever had to seal and finish a fake terrazzo floor you'd understand. It's before the back aches, the swollen ankles throb or the pain in the hand he's not using holds a well-deserved cup of coffee. It's the time for personal pride in a job well done as the cool 3:00 a.m. wind refreshes his spirit, and no one is there to share it. No one watches as he uses his tools and skill to make an impossible surface shine like a mirror. Maybe he hears the sound of a cat or an owl just landing on the telephone pole behind him, it's so quiet he can hear himself breathe.

Francine knows. She doesn't know Roger. What she does know is something beyond the clutter of clothes, papers and soiled laundry spread over a dirty floor. She looks beyond the dirty cups, glasses, plates, beverage stains and left-over rotten food. She gets beyond the pain in her knees from cleaning kitchen floor corners. She gets to the moment when the impossible comes together. Maybe for three hours her work will stand for the respect her client's home somehow lost, again.

Richard the window cleaner had already left. The home owner walks into her living room to discover a brighter, friendlier place. She'd forgotten that it was the view from the living

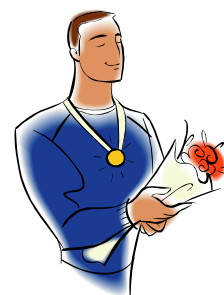
room window which made her buy her home fifteen years ago. She picks up the phone to call Richard, but something interrupts and that call is never made. In spite of that, Richard gets a lot of referrals.

Referrals like John gets for removing spots from carpets that drive homeowners crazy. He specialized in renewing all types of upholstery and using poultices to remove spots from stone. He is always on time. He will tell you what to expect before he starts and what it will cost. John gets disappointed on the very rare occasions when his magic doesn't work. He's that kind of person.

A person like Fred. He makes his work look easy; no leaves, debris, unlocked gates and, most importantly, no chemical explosions. Just a clear blue pool and a smooth running pump. He's the guy clients call when they don't follow the careful routine maintenance instructions he tactfully leaves behind. Fred gets lots of calls.

Clients call Regina. They want to give her a heads-up about an important meeting or an emergency. They believe she has a special touch, a sense of place or subtle style. What she doesn't have is an Academy Award, an Emmy or other public recognition. Like Roger, Francine, Richard, John, Fred and many of our IMCA members, Regina knows deep pride in her work. That's something you just don't step on. That's who you are.

Thanks!



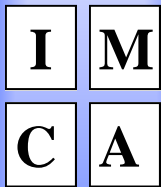


## Superior Window Cleaning wins \$250!

IMCA would like to congratulate Superior Window Cleaning in Santa Clara for participating in IMCA's Slip, Trip & Fall on-line video training. They were picked at random from those member companies who took part in the training before October 1st and won \$250.

Slips, trips and falls are the most common injuries suffered by IMCA member employees. The Slip, Trip & Fall training on-line video is available FREE to members. The 25-minute video is an excellent training tool for your employees and satisfies CalOSHA training requirements.

To receive a link for this on-line video training, send an email to [IMCAOffice@aol.com](mailto:IMCAOffice@aol.com) and ask for the Slip, Trip & Fall Video link. We will provide the link as well as a sign-up sheet for your employees (as an attachment to our reply email) to keep for your records.



## State Compensation Insurance Fund appoints Doug Stewart Interim President and CEO

October 21, 2009

*Courtesy of State Compensation Insurance Fund*



San Francisco – The Board of Directors of State Compensation Insurance Fund today announced that it has appointed Doug Stewart, Chief Risk Officer, as president and CEO

on an interim basis, replacing outgoing CEO Janet D. Frank.

"The Board is very confident that Doug Stewart will provide solid leadership and a steady hand during this transition period," said Jeanne Cain, Board of Directors Chair. "As Chief Risk Officer for the past two years, Doug has played a significant role in State Fund's transformation and well understands our commitment to ensuring that State Fund remains a stable provider of workers' compensation insurance and a vital asset to the state's economy. Despite the significant economic challenges facing California, State Fund remains financially strong and poised to continue providing a guaranteed workers' compensation market to California's businesses. Doug Stewart is ideally suited to ensure we remain on course."

Doug Stewart joined State Fund in a consulting capacity in November 2007 and was named Chief Risk Officer following passage of SB 1145. He brings more than 35 years experience in the insurance industry in the areas of claims, underwriting, marketing, sales, USL&H and risk management.

The Board will begin a national search for a permanent president and CEO immediately.

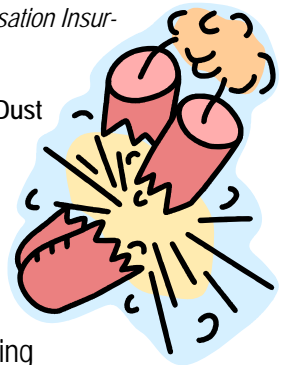


## Combustible Dusts

*Courtesy of State Compensation Insurance Fund*

Who Has a Combustible Dust Problem?

Many employers are unaware of a potential explosive dust hazard in their workplace. By identifying and controlling dust explosion hazards, injuries, deaths, and costly damage can be prevented. Some of the industries that could have a combustible dust hazard include:



*(Continued on page 3)*

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- Agriculture
- Chemical
- Forest and furniture products
- Metal processing (e.g. aluminum, magnesium, zinc)
- Organic dust producers or users (e.g. working with fine dusts of candy, dried blood, paper, pulp, soap, spices, starch, sugar, flour, and feed)
- Paper products manufacturers
- Pharmaceuticals
- Plastics
- Producers or users of coal or other carbon dusts
- Recycling operations (e.g. metal, paper, and plastic recycling operations)
- Tire and rubber
- Textile
- Wastewater treatment (Biosolids)
- Wood dust producers

### What Makes Combustible Dust an Explosion Hazard?

Combustible dusts become an explosion hazard when they are suspended in the air in the proper concentration in a confined or semi-confined vessel, area, or building.<sup>1</sup> With the oxygen present in the air, all that is needed is an ignition source for an explosion to occur.



Many variables can affect the explosibility of a dust. To fully assess the risk of a dust explosion, it may be necessary to have the materials involved tested by a specialized lab.

### Primary and Secondary Dust Explosions

An initial or primary dust explosion can lead to one or more secondary dust explosions within

a facility. This can occur when the initial dust explosion in the processing equipment or vessel ruptures the enclosure and ignites settled dust in a nearby area. Such explosions have destroyed buildings, killed 119 workers and injured 718 workers since 1980.<sup>2</sup> In many of these cases, the employers involved were unaware of the hazard.

### OSHA National Emphasis Program

The Occupational Safety and Health Administration (OSHA) issued a directive (CPL 03-00-008) effective March 11, 2008 initiating a Combustible Dust National Emphasis Program (NEP). This program requires OSHA offices to specifically target businesses with dust explosion hazards.

### Catastrophic Fires Have Occurred With the Following Kinds of Dusts

- Coal dust
- Nylon fiber
- Phenolic Resin dust
- Plastic (polyethylene) dust
- Resin for fiberglass
- Rubber dust

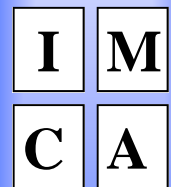
The National Fire Protection Association (NFPA) states, "Any industrial process that reduces a combustible material and some normally noncombustible materials to a finely divided state presents a potential for a serious fire or explosion."

### Conduct a Hazard Analysis

You may have to seek professional help with the following:

- Recognize that you may have a combustible dust hazard.
- Look for processes that use, consume, or produce fine dusts.
- Look for accumulations of fine dust, including in hidden areas (such as inside ductwork or over suspended ceilings).
- Look for ways dusts can become dis-

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persed in the air.

- Look for ignition sources.
- Consider dust collectors, hoppers, and other equipment that can confine a dust cloud.
- Investigate the thermal stability of stored products.

### Control - The Main Control Methods

- Prevent dust accumulations.
- Install special electrical equipment in areas with potential for explosive concentrations of combustible dust (Class II locations).
- Select and use industrial trucks properly.
- Implement proper procedures for the maintenance of ovens and process equipment.
- Select and install equipment safety devices.
- Install explosion relief venting devices.
- Design buildings, equipment, and ventilation systems properly (including bonding and grounding).

### Safety Management

- Investigate fires and incidents.
- Train employees on Hazard Communication (including combustible dust hazards).
- Implement Process Safety Management.

### National Fire Protection Association (NFPA) Standards

Since neither OSHA nor Cal/OSHA has an integrated mandatory standard that covers combustible dust, employers must rely on the various NFPA standards for guidance which can be accessed at [www.nfpa.org](http://www.nfpa.org)

### Cal/OSHA Standards Regarding Combustible Dust

The following Cal/OSHA standards may apply: Electrical Safety Orders, Group 1, Low-Voltage Electrical Safety Orders, Article 59. Hazardous (Classified) Locations, T8

§3220, T8 §3221, T8 §3650, T8 §4324, T8 §5143, T8 §5151, T8 §5152, T8 §5153, T8 §5157, T8 §5174, T8 §5175, T8 §5178, T8 §5189, T8 §5194, T8 §5450 and T8 §5460.

### Additional Information

- OSHA Combustible Dust Safety and Health page: [www.osha.gov/dsg/combustible\\_dust/index.html](http://www.osha.gov/dsg/combustible_dust/index.html)
- Chemical Safety Board Report: [www.csb.gov/completed\\_investigations/docs/DustStudyReportWebsite6-20-08.pdf](http://www.csb.gov/completed_investigations/docs/DustStudyReportWebsite6-20-08.pdf)
- OSHA Instruction - Combustible Dust National Emphasis Program: [www.osha.gov/OshDoc/Directive\\_pdf/CPL\\_03-00-008.pdf](http://www.osha.gov/OshDoc/Directive_pdf/CPL_03-00-008.pdf)

<sup>1</sup> Illustration from Oregon OSHA *Combustible Dust Hazard Alert* [www.orosha.org](http://www.orosha.org)

<sup>2</sup> According to a 2006 Chemical Safety and Hazard Investigation Board study



### Cal Chamber

### Key Tax Changes from Budget Agreements

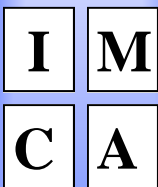
(October 16, 2009) The California Chamber of Commerce is urging businesses to review the important tax changes resulting from this year's budget agreements.

Changes include estimated tax payments, income tax withholding, and use tax registration and reporting. The information is technical in nature and may require additional assistance from a tax professional or accountant.

Following is a look at some key tax provisions. For more information about the new jobs credit, see the full version of this article by Gina Rodriguez of tax specialists Spidell Publishing, Inc. on [HRCalifornia.com](http://HRCalifornia.com).

### Estimated Taxes

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Instead of paying 25 percent of the annual required payment each quarter, both corporations and individuals must make accelerated estimated tax payments for the 2009 and 2010 taxable years ([see left side of chart](#)).

The budget also creates a new non-conformity provision to the federal exception to the underpayment penalty. The annualized installment method, or full payment spread throughout the year, allows taxpayers to compute estimated taxes based on annualizing actual taxable income earned over the months in the taxable year ending before the due date for the installment over any amount paid in prior installments.

These percentages have changed as well. When using the annualized installment method, taxpayers must use an accelerated payment scheme for both the 2009 and 2010 taxable years (see right side of chart).

### Income Tax Withholding

The budget increases withholding for certain payments made on or after November 1, 2009:

Withholding on wages increases by 10 percent.

Withholding on supplemental wages increases from 6 percent to 6.6 percent.

Withholding on stock options and bonus payments increases from 9.3 percent to 10.23 percent.

The Legislature revised the state's withholding tables once already in April 2009 to reflect the February 2009 budget changes—an 0.25 percent across-the-board increase and a reduction in the dependent exemption credit of about \$210 per dependent.

The 10 percent increase in withholding on wages is "optional," meaning employees may file a new Form DE 4, Employee's Withholding Allowance Certificate, with their employer to change their withholding. An employee may

change his/her withholding at any time, and as often as needed.

### Backup Withholding

The budget also conforms, with modifications, to Internal Revenue Code Section 3406 federal backup withholding rules. For payments made on or after January 1, 2010, the budget requires:

Backup withholding at a rate of 7 percent for California whenever required for federal purposes; and

The Social Security number or other taxpayer identification number of the recipient of income to be furnished on demand of the person paying the income.

For purposes of backup withholding, the budget requirement includes only payments of income defined in California's withholding-at-source statute, with respect to rents, prizes, compensation for services and other fixed or determinable annual or periodic income.

The budget specifically excludes from California's backup withholding rules interest and dividends and any release of loan funds made by a financial institution in the normal course of business.

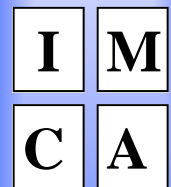
California's backup withholding provisions supersede any other withholding provision required under the administrative provisions of the Revenue and Tax Code. Also, the payer required to withhold must notify the payee of the withholding in the form and manner prescribed by the Franchise Tax Board (FTB).

The FTB made more information available at the beginning of October through its web page, [www.ftb.ca.gov](http://www.ftb.ca.gov), and "Tax News" newsletter. The backup withholding obligation will begin January 1, 2010.

### Use Tax Registration/Reporting

The budget requires qualified purchasers to

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register with the Board of Equalization (BOE) and report and pay any use tax owed for purchases made in the preceding year. The first use tax returns will be due on April 15, 2010, for untaxed purchases made in 2009.

A qualified purchaser is a business that meets all these tests:

- Is not required to hold a seller's permit with the BOE.
- Is not required to be registered and is not otherwise registered with the BOE.
- Is not a holder of a use tax direct payment permit (see Revenue and Taxation Code, Section 7051.3).
- Receives at least \$100,000 in gross receipts per year from business operations worldwide.

The primary change under this new budget is the requirement to file with the BOE. Before this law, only retailers selling tangible personal property were required to register.

The BOE planned on mailing notification letters to businesses potentially subject to the new registration requirement starting in September 2009 using data from 2007 IRS tax returns to target its audience.

Once a business replies to the letter, the BOE will send the business an account number and log-in code for e-filing purposes (which the BOE expects to be available in March 2010).

If a business fails to respond to the letter, the BOE will register the business automatically and mail it an account number. Once registered, the BOE will ask for 2007 and 2008 tax returns. The BOE is likely to waive any penalties on unpaid use tax, but businesses must pay interest.

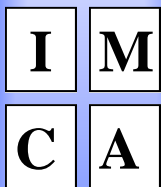
Registered businesses must file a sales-and-use-tax return with the BOE, and may not report any use tax liability on their income or franchise tax return filed with the FTB. All businesses required to register with the BOE under this new program must file a return with

the BOE, even if there is no use tax liability.

Companies face no penalty for not registering with the BOE or for failing to file when no use tax liability exists. If payment is late, however, a business may owe a penalty equal to 10 percent of the use tax liability.

It is important to note that the use tax has been in effect in California since 1935, and applies to purchases made from out-of-state sellers. A taxpayer may have a use tax liability when making purchases from an out-of-state retailer if the seller does not collect California sales or use tax or if the buyer uses, gives away, stores or consumes the item in California.

Applicable Percentage: Regular Method		Applicable Percentage: Annualized Method	
<b>2009</b>		<b>2009</b>	
1st Quarter	30 percent	1st Quarter	27 percent
2nd Quarter	30 percent	2nd Quarter	54 percent
3rd Quarter	20 percent	3rd Quarter	72 percent
4th Quarter	20 percent	4th Quarter	90 percent
<b>2010</b>		<b>2010</b>	
1st Quarter	30 percent	1st Quarter	27 percent
2nd Quarter	40 percent	2nd Quarter	63 percent
3rd Quarter	0 percent	3rd Quarter	63 percent
4th Quarter	30 percent	4th Quarter	90 percent



IMCA is ramping up its emphasis on safety in the workplace. We will be hosting regional safety seminars and training around the state. Please check our website ([www.imcaoffice.com](http://www.imcaoffice.com)) to find out more, as well as new CalOSHA compliance regulations and safety resources. Also available to members are free Safety/Hazard Inspections (so you can rest assured you're in compliance with CalOSHA) and Ergonomic and Industrial Hygiene consulting. If you are interested in any of these services, please contact the IMCA office at 800-696-5348.



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- Property & Casualty    Employee Benefits    Individual Benefits    Employee Retirement Plans  
 Individual Retirement    Business Planning    Estate Planning    Health/Dental/Rx

Name: \_\_\_\_\_ Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone(s): \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email(s): \_\_\_\_\_

The association is currently updating their database; please share this email address with my association.

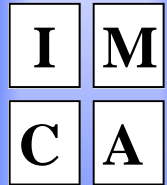
Number of full-time employees: \_\_\_\_\_ Part-time: \_\_\_\_\_ Current carrier(s): \_\_\_\_\_

Type of Company:  Sole Proprietor    Partnership    Corporation    "S" Corporation    LLC

Additional Information

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## DON'T LOSE YOUR MARBLES

If you are looking for an easy, efficient way to train your employees in compliance with California law, *Don't Lose Your Marbles* is the ticket.



Simply fill out the form and mail or fax back to IMCA. The program is free to current IMCA members.

*Don't Lose Your Marbles* gives you twelve monthly safety meetings. This is terrific way to comply with the law, train your employees and keep losses to a minimum in IMCA's State Fund Safety Groups.

If you have any questions regarding how to participate in the program, call either the Independent Maintenance Contractors Association at (800) 696-5348, or MarComm Consulting at (800) 748-6424.

## SUBSCRIPTION FORM FOR DLYM

\_\_\_\_ YES! I want *Don't Lose Your Marbles*.  
Send it ASAP!

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City/Zip: \_\_\_\_\_

Phone #: \_\_\_\_\_

Fax this form to IMCA at (916) 444-6478, or mail to:  
IMCA, 820 Alhambra Blvd, Sacramento, CA 95816-4413

Independent Maintenance  
Contractors Association  
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