

# Building Contractors Association of New Jersey NATIONAL LABOR NEWS

June 2010

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## ***BCANJ's Quarterly Labor Update***

*Building Contractors Association of New Jersey publishes the **National Labor News** quarterly as an insert in our monthly Update in March, June, September and December. We will continue to focus on local and state issues via our monthly Update and regular bulletins. We welcome your comments.*

### **Healthcare Reform Bill: Updates & Seminar**

In Bulletin #56-10, we told you about a small-business tax credit in the recently enacted Healthcare Reform Bill. Members may access the bulletin on the "Members Only" section of our website, [www.bcanj.com](http://www.bcanj.com). Since we issued the bulletin, there has been discussion about tax-credit eligibility for small businesses that contribute to multiemployer or self-funded health plans. The initial guidance from the IRS does not address this eligibility issue. As the rules pertaining to the new bill emerge, we will keep our members updated.

This summer, BCANJ staff will attend "Health Care Reform – What Plans Need to Do Now," a seminar sponsored by the International Foundation in partnership with the Health Care Payers Coalition of New Jersey, among others. Scheduled for August 5, 2010, in the New Jersey Carpenters Funds Building in Edison (also home to BCANJ), the one-day seminar is designed for multiemployer and public employee trustees, plan fiduciaries, administrative staff, key managers, committee chairs, employers, union members and support personnel who will be affected by the healthcare reform bill. *If you are interested in attending, you can find complete details and register online at [www.ifebp.org/HCReformOneDay](http://www.ifebp.org/HCReformOneDay).* A program brochure is also enclosed.

### **HIRE Act Updates**

In Bulletins #53-10 and #63-10, we told members about the IRS forms now available online to file for the tax benefits of the HIRE Act (Hiring Incentives to Restore Employment). The required forms include the W-11, the Employee Affidavit that confirms a new hire was unemployed for at least 60 days immediately before the current job, and updated W-2 and W-3 forms the employer must complete to file for the benefits.

Members can access the bulletins on the "Members Only" section of our website, [www.bcanj.com](http://www.bcanj.com). Additional information is available on the AGC of America website, [www.agc.org](http://www.agc.org), and the IRS website, [www.irs.gov](http://www.irs.gov).

### **President Obama Signs Pension Relief Bill**

The Preservation of Access to Care for Medicare Beneficiaries and Pension Relief Measure, H.R. 3962, signed by President Obama on June 25, 2010, includes some good news for multiemployer pensions. The bill extends the timeframe from 15 to 30 years for funds to make up investment losses incurred during 2008 and 2009, thus avoiding a dramatic increase in contributions. AGC of America is tracking the pension funding relief issue closely. We will send you updates as we receive them.

## **NLRB Appointments Confirmed, Authority Questioned**

As we discussed in the March Labor News, President Obama's recess appointments to the National Labor Relations Board provoked controversy. But with the Congressional confirmation of Republican Brian Hayes and Democrat Mark Pearce, the NLRB now has a complement of five members, more than necessary for a legal quorum (three members). Lack of that quorum landed the NLRB in the middle of another dispute, in a case before the Supreme Court that hinged on the NLRB's authority to make decisions during the two years it had only two members.

On June 17, in the case involving New Process Steel LP, the Supreme Court ruled the NLRB did *not* have authority to issue decisions, per the Taft-Hartley Act of 1947. Thus, it's likely the NLRB will end up reviewing hundreds of two-person decisions made from January 2008 through March 2010.

However, AGC of America's associate general counsel, Denise Gold, says the Court's ruling shouldn't matter much to the construction industry except for those firms directly involved in NLRB decisions during the questionable time period.

## **Traffic Congestion Hurts America's Construction Firms**

AGC of America, analyzing a survey of 1,200 construction firms nationwide, announced in June that traffic congestion causes delays and reduced worker productivity to the tune of \$23 billion a year. Here are some key findings:

- 93% of the companies surveyed said congestion and delays adversely affected business

- On average, a construction project experiences delays of at least a day because of traffic congestion and reduced productivity
- More than one in three firms claim congestion and loss of productivity add at least three days to the length of a project
- 70% of the firms surveyed said they are making less money because of congestion and reduced productivity

AGC has vocally advocated for an aggressive transportation bill that includes planning complex, long-term highway projects designed to cut congestion.

## **Construction Employment Drops from April to May**

As we posted on our website's Hot Topics page, the construction industry once again lost jobs from April to May of this year. Across the country, construction employment fell in 25 states, including New Jersey, during that one-month span. New York was the hardest hit, losing 9,800 jobs (3.1%). New Jersey lost 700 jobs, less than 1%, but during the past year – May 2009 to May 2010 – the state lost 14,100 construction jobs (10.1%). Ken Simonson, Chief Economist at AGC of America, predicts private, state and local construction employment will not improve until 2011 at the earliest. The good news: May construction starts nationally were up 16.3% over April's starts, and 9.8% higher than May 2009 starts.

In addition, two recently released surveys of construction executives revealed a growing, if cautious, optimism that the market may soon hit bottom and begin to recover in 2011. ENR's Construction Industry Confidence Index and the Construction Financial Management Association both report a more positive outlook than in previous quarters.