MAPSA Parts News
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NEW OSHA HAZARD COMMUNICATION STANDARDS

OSHA has adopted the Globally Harmonized System (GMS) of Classification and Labeling of Chemicals as the new standard for hazard communication. Effective December 1, 2013, employers must ensure that employees are trained on the new labeling elements and Safety Data Sheet formats. Training should include:

* What is GHS?
* Understanding GHS labels
* Safety Data Sheets (Formerly MSDS)

Federated's Shield NetworkSM (FSN)

For direct access to helpful NAZCOM resources, Federated clients are encouranged to long on to Federated's Shield Network (www.federatedinsurance.com). Complimentary support materials available to Federated clients include:

Hazard Communication Training
Glossary of terms
OSHA Consultation Directory
Copy of the Hazard Communication Rule
Training Video Follow Along Guide

Hazard Communication Label and Safety Data Sheet Training
Labels and Safety Data Sheets

Sample Written Program
Safety Program Request

Summitt Training Source
Computer-based Training
Search for "Hazard Communication" and "GHS"

****Non-clients are encouraged to email Teresa Thompson, txthompson@fedins.com, to request a FREE Hazard Communication Training Guide.**

Risk Management Resource Center (RMRC)

Clients may also tap into the expertise of our RMRC consultants for additional guidance and more information about the resource materials available. Call 1-88-FED-4949.

Federated Insurance understands and supports organizations like yours across the country through value-added risk management services. We are pleased that your association recommends us for your insurance needs and encourage you to explore everything Federated has available to members. Federated is MAPSA's recommended carrier for your property & casualty insurance needs as well as your group health insurance needs. If you would like a quote please give the MAPSA office a call at 800/486-6292.

MAPSA OFFICE TO OBSERVE THE HOLIDAYS

The MAPSA office will be closed Wednesday, November 27, 2013 thru Friday, November 29, 2013 in observance of the Thanksgiving holiday. Our voice mail will be available every day for your convenience. The MAPSA staff and Board of Directors wishes you a safe and happy holiday season.

ADVANCE AUTO PARTS IN DEAL TO BUY GPI/CARQUEST

Advance Auto Parts has entered into a definitive agreement to acquire Raleigh, NC-based **General Parts International** (GPI) in an all-cash transaction with an enterprise value of $2.04 billion. The deal has been approved by both companies' boards of directors. The transaction is subject to regulatory approvals and customary closing conditions. It's expected to close in late 2013 or early 2014.

The move is transformational. It would create the largest automotive aftermarket parts provider in North America. The combined business would have 5,264 company-operated Advance Auto Parts and **Carquest** stores in 49 states and Canada; 1,418 independent Carquest locations in the United States and Canada; 102 **WORLDPAC** branches; and 50 distribution centers.

For a moment, consider the businesses separately…

• Advance has 4,018 stores in 39 states — 86 percent of which are in the eastern half of the United States. It also brings 12 distribution centers to the table.

• GPI has 1,246 company-operated Carquest stores coast-to-coast to go with 1,418 independent Carquest locations in the United States and Canada, as well as 102 WORLDPAC branches. GPI has 38 distribution centers.

• Roughly 60 percent of Advance's business is on the DIY side, with only 40 percent in commercial. • GPI's breakdown is 10 percent DIY and 90 percent commercial.

• Combined, this works out as 45 percent DIY and 55 percent commercial. That's a significant change.

You can see why acquiring GPI was so compelling to the team at Advance. It expands Advance's geographical presence in the Western United States and into Canada, giving the company immediate coast-to-coast market coverage. It also gives the company more commercial capabilities and more channels of distribution.

The plan is to expand Carquest's key capabilities (including daily replenishment and customer loyalty programs) into Advance stores, while expanding Advance's DIY capabilities into select company-operated Carquest stores.

The transaction also expands Advance's platform to include the independent customer channel, as well as the fleet, heavy-duty, government and paint business. It also builds on the company's commitment to national accounts like Sears and large-bay garages.

"The combination of WORLDPAC and our **Autopart International** businesses solidifies our position of market leader in import parts," said Advance CEO **Darren Jackson** on an Oct. 16 conference call. "In addition, it will create an unparalleled commercial e-commerce engine through the market-leading WORLDPAC [**SpeedDial**] and Carquest [**WebLink**] B2B platforms."

But, how does it all fit together?

"As a part of our preliminary integration plan, we expect to continue to operate WORLDPAC independently, to continue to service Carquest independent customers under the Carquest brand, and to individually assess Carquest company-operated locations and determine where it makes sense to convert or consolidate those locations into Advance Auto Parts," Jackson explained. "We will provide additional details post-close as we continue to evaluate and to refine our integration strategy."

It's also important to note that GPI's leadership team is expected to remain with the company post-transaction. This includes **O. Temple Sloan III** of GPI, who will continue as president of GPI, reporting to Jackson. It is expected that Sloan will join the Advance board of directors as well.

Also staying on, according to the Oct. 16 conference call, are **David McCartney**, president – Carquest U.S.; **Steven Gushie**, president – Carquest Canada; and **Robert Cushing**, president – WORLDPAC.

In bringing all of this together, the management of Advance will rely heavily on its own team, the talent it acquires along with GPI/Carquest/WORLDPAC, and its own experience in integrating acquired businesses. On this last point, **Advance finds itself in the unique position of having been able to try Carquest on before buying.**

Advance and GPI have parallel histories. "Both organizations have successfully grown through acquisitions and greenfields, supported by our outstanding team members," Jackson said on the call. "More importantly, we recognize that our two companies share a common set of values and approach to the business. That is critical for this combination to succeed, and it will."

"Our confidence and our conviction is in large part" the result of our December 2012 acquisition of BWP. BWP was the second-largest operator of owned and independent Carquest stores. Over the past 12 months, we have been building deeper relationships with General Parts, while gaining valuable insights and experience on the numerous operational strengths through the BWP integration. This experience will provide us with immediate, mutually leveragable advantages during the larger integration process. **The bottom line is that we already know this relationship works."**

Jackson emphasized that strategic acquisitions have been a key part of the growth story at Advance. "We have a proven track record of successfully integrating and growing acquired companies. They include Western Auto, Discount Auto Parts, Autopart International, BWP and others," he explained. "We expect the General Parts acquisition will be no different."

The combined company will be headquartered in Roanoke, VA and will continue to maintain a presence in Raleigh, where GPI is based.

Advance intends to finance the acquisition through a combination of senior notes, bank debt and existing cash on hand. Following the transaction, Advance expects to continue to have a solid balance sheet, supported by the strong cash flow of the combined business.

In connection with the transaction, Advance has received a financing commitment from **JPMorgan Chase Bank, N.A.** with the senior notes offering and bank debt syndication expected to occur prior to closing.

Source: The Greensheet Issue #1800

SAFETY FOR THE AGING WORKPLACE

BWC recently teamed up with the Ohio Department of Aging and other Ohio government and state business partners for Steady U, a statewide collaborative aimed at preventing slips, trips and falls in older Ohioans.

Why? Employees ages 45 and up are more likely to fall in the workplace than other workers. Work-related slips, trips and falls often result in sick days, reduced productivity and expensive workers' compensation claims for the employer. The average BWC claim for lost time (taking time off) related to slips, trips and falls is more than $31,000.

Here are 10 ways to reduce falls in your workplace:

- Keep a written housekeeping program;
- Ensure that floors are clean and dry;
- Employ proper floor cleaning procedures;
- Wear slip-resistant shoes;
- Block entry into areas with wet floors;
- Maintain adequate lighting;
- Encourage employees to take their time and watch where they're going;
- Maintain a written removal plan for snow and ice;
- Place additional mats in entrances during inclement weather;
- Ask employees to use stepstools instead of standing on furniture.

FEDERATED INSURANCE: PROVIDING ANSWERS TO HEALTHCARE LEGISLATION QUESTIONS

Healthcare legislation has been on everyone's mind during the past several years - which is why we'll be sharing answers to many of the questions our clients are asking about the Patient Protection and Affordable Care Act (ACA). Whether you're an "ACA expert" or a health insurance novice, we hope you find this article series enlightening.

Question: Will taxes go up to fund the Affordable Care Act?

Answer: To cover the cost of Medicaid expansion and premium subsidies in the Exchanges, numerous tax changes will occur.

* Annual fees will be imposed on health insurers- $8 billion in 2014, rising to $14.3 billion in 2018. It is estimated that this will add two to three percent to the cost of insurance.

* Annual fees of $2.8 to $4 billion will be assessed on the pharmaceutical sector, which is expected to drive up the price of prescription drugs.

* An excise tax of 2.3 percent on medical devices began in 2013. Again, this is expected to increase the price of these items.

* Payroll taxes for Medicare will increase of 0.9 percent for individuals earning more that $200,000 and married couples earning more than $250,000.

* The upper limit for pre-tax contributions to Flexible Spending Accounts will be $2,500.

Source: Federated Insurance

10 MAGIC PHRASES OF CUSTOMER SERVICE

Principles of customer service are nice, but you need to put those principles into action with everything you do and say. There are certain "magic words" that customers want to hear from you and your staff. Make sure your employees understand the importance of these key words:

"How can I help?" Customers want the opportunity to explain in detail what they want and need. Too often, business owners feel the desire or the obligation to guess what customers need rather than carefully listening first. By asking how you can help, you begin the dialogue on a positive note.
(You are "helping", not "selling.")
And by using an open-ended question, you invite discussion.

"I can solve that problem." Most customers, especially B2B customers, are looking to buy solutions. They appreciate answers in a language they can understand.

"I don't know, but I'll find out." When confronted with a truly difficult question that requires research on your part, admit it. Few things ruin your credibility faster than trying to answer a question when you are unaware of the facts. Savvy buyers may test you with a question they know you can't answer, and then just sit quietly while you struggle to fake an answer. An honest reply enhances your integrity.

"I will take responsibility." Tell your customers you realize it's your responsibility to ensure a satisfactory outcome to the transaction. Assure the customer you know what she expects and will deliver the product or service at the agreed-upon price. There will be no unexpected expenses or changes required to solve the problem.

"I will keep you updated." Even if your business is a cashand-carry operation, it probably requires coordinating and scheduling numerous events. Assure your customers they will be advised of the status of these events. The longer your lead time, the more important it is. The vendors that customers trust the most are those that keep them apprised of the situation, whether the news is good or bad.

"I will deliver on time." A due date that has been agreed upon is a promise that must be kept. "Close" does not count.

"Monday means Monday." The first week in July means the first week in July, even though it contains a national holiday. Your clients are waiting to hear you say, "I will deliver on time." The supplier who consistently does so is a rarity and well-remembered.

"It will be just what you ordered." It will not be "similar to," and it will not be "better than" what was ordered. It will be exactly what was ordered. Even if you believe a substitute would be in the client's best interests, that's a topic for discussion, not something you decide on your own. Your customers may not know (or be at liberty to explain) all the ramifications of the purchase.

"The job will be complete." Assure the customer there will be no waiting for a final piece or a last document. Never say you will be finished "except for..."

"I appreciate your business." This means more than a simple "Thanks for the order." Genuine appreciation involves followup calls, offering to answer questions, making sure everything is performing satisfactorily, and ascertaining that the original problem has been solved.

Neglecting any of these steps conveys the impression that you were interested in the person only until the sale was made. This leaves the buyer feeling deceived and used, and creates ill will and negative advertising from the company. Sincerely proving you care about your customers leads to recommendations ...and repeat sales.

- *Source: Entrepreneur Media*

We’re Stronger Together

Relationships take work. Sometimes things go smoothly, sometimes not so much. But a winning relationship—like the one between Federated and your association—is worth the effort. The result? A solid partnership built on a foundation of mutual respect. That partnership has one primary goal: helping you build the business you imagined.

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Roth: To Convert or Not to Convert

By Morgan Stanley Wealth Management

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The retirement savings you are working hard to build now will one day become your retirement income, helping to fund the lifestyle you envision. But have you considered the impact that taxes may have on your retirement goals? One approach to managing taxes in retirement is to include a tax-free account— such as a Roth IRA—in your portfolio.

Roth IRAs offer several benefits. Rather than paying taxes when you *withdraw* the funds in retirement, you pay taxes on the funds when you *invest* in a Roth IRA. If you have a Traditional IRA or an employer-sponsored retirement plan, now may be a good time to consider converting those assets to a Roth IRA. There are a number of reasons listed below why, depending on your personal financial situation, converting an existing retirement plan or Traditional IRA to a Roth IRA could help you meet your financial goals.

You don't expect to need all of the funds when you retire.
With a Traditional IRA, you must stop contributing and start taking minimum distributions from your account at age 70½. Roth IRAs have no such age restrictions: there's no contribution cutoff, provided income requirements are met, and no rule that you must begin tapping your account at age 70½. Your funds have the potential to grow tax-free as long as you want and you gain greater control over your income in retirement. You can tailor withdrawal amounts to your actual income needs—or eliminate them altogether in any given year.

So if you are past age 70½ and would like to quit taking those required minimum distributions, you may still have the option to convert some or all of your IRA into a Roth, allowing those funds to have the potential to grow tax-free for your own needs later in life or for your heirs. Note that you will need to pay taxes on the taxable amount of the IRA at the time of the conversion, so you should review this option carefully with your tax advisor before electing to convert to a Roth IRA. Also, the funds may only be converted after any current year required minimum distributions have been withdrawn.

You want to leave a lasting financial legacy to your heirs.
If you won't need your IRA to fund your retirement income, a Roth IRA can be an effective wealth planning tool, since heirs can enjoy continued asset growth potential without paying taxes when they withdraw assets. By using a "stretch IRA" strategy, you can extend the tax-free growth potential and tax-free income benefits of your Roth IRA. This works by taking advantage of the fact that, while the beneficiaries of your Roth IRA (other than your spouse) will be required to take minimum distributions annually after your death, those distribution amounts will be calculated using a life-expectancy factor based on their own age, not your age. This may allows more of the funds to remain in the account longer, continually reaping the benefits of tax-deferred growth potential.

You're concerned about taxes.

You are aware that diversifying your portfolio by investing in multiple asset classes, including stocks, bonds and cash, can be a way to mitigate risk. The same logic applies to tax diversification: spreading your retirement assets across different types of accounts provides diversification. A tax-free Roth account combined with a taxable account, like a brokerage account or mutual funds account, and a tax-deferred account, like a 401(k) or Traditional IRA, can give you the flexibility to potentially keep taxes low in retirement. This is especially important if you're concerned about future tax increases or you think that your tax liabilities may be higher in retirement. Converting some of your Traditional IRA to a Roth IRA can be an effective strategy that allows you to take income from different sources to potentially keep taxes low in retirement.

You think that you might need some of the money before you retire.

If you withdraw funds from a Traditional IRA before age 59½, not only will you be taxed on the value of the funds withdrawn, you will also be subject to a 10% early-withdrawal penalty unless an exception applies. With a Roth IRA, you can withdraw the original contribution at any time, without penalty. You can even withdraw earnings, but if you do not meet the requirements indicated below regarding the length of time held, age and other considerations, you will be taxed on the earnings when you withdraw the funds.

The Facts: Roth IRA vs. Traditional IRA

Roth	***Traditional***
• Nondeductible contributions • Tax-deferred growth potential • Tax-free withdrawals*	• Deductible or nondeductible contributions • Tax-deferred growth potential • Taxable withdrawals
• Tax-free withdrawals during retirement do not raise the tax bill on Social Security benefits.	• Taxable withdrawals in retirement can raise the account owner's tax bill on Social Security benefits.
• No required minimum distributions during account owner's lifetime • Able to continue contributions after age 70½	• Must begin taking required minimum distributions at age 70½ • Cannot contribute beyond age 70½
• Assets remaining in IRA pass income-tax-free to heirs.*	• Assets left to heirs will be taxable as ordinary income upon withdrawal.

* Contributions can be withdrawn tax-free at any time, and earnings can be withdrawn without income tax if the account has been in effect for five years and the owner is over age 59½, has died, is disabled or is a qualified first-time home purchaser (maximum $10,000).

A few additional points to consider:

- When you convert from a Traditional IRA or employer-sponsored plan to a Roth IRA, you will incur certain tax liabilities. These include taxes on any pretax contributions plus taxes on any earnings or growth.
- If you have pre-tax and after-tax funds in a Traditional IRA, there are certain rules that determine how these funds can be converted. Your tax advisor can help you determine which funds can be converted and the amount of taxes due on a conversion.

- It’s important to identify funds outside the IRA that can be used to pay the taxes due on the conversion to a Roth IRA. Tapping into the amount converted from a Traditional IRA or employer-sponsored retirement plan to pay taxes will reduce the amount available in the Roth IRA to earn tax free income—and trigger a 10% penalty if you’re under age 59½ (unless an exception to the penalty tax is available).

Get help making your decision.

To help you understand how a Roth conversion will likely affect your financial scenario, I can provide a customized Roth Conversion Analysis for you. This report explores your specific situation, factoring in such variables as the amount to be converted, the distribution year, your date of birth and where you are in the retirement planning cycle. Based on this input, the report shows the after-tax future value of an IRA balance, comparing the outcomes of a Traditional IRA with those of a Roth IRA. You’ll also be able to see the wealth planning advantages of “stretching” a Roth IRA. Finally, as with all tax-related issues, you should also discuss your situation with your tax advisor.

If you’d like to learn more, please contact Jim Mitchell or Len Hibbard with the Capitol Square Group at Morgan Stanley. They can be reached at 614-460-2627 or 800-659-0660

Article by Morgan Stanley Smith Barney LLC. Courtesy of Morgan Stanley Financial Advisor.

Eight Steps to Lock Out Hazardous Energy

1. **Think, plan and check.** Identify all parts of any systems that need to be shut down. Find the switches, valves or other devices that need to be locked out.
2. **Communicate.** Tell affected employees you'll be locking out the equipment and why.
3. **Locate all power sources,** including stored energy in springs or hydraulic systems.
4. **Neutralize all power at its source.** Disconnect electricity. Block moveable parts. Release or block spring energy. Drain or bleed hydraulic and pneumatic lines. Lower suspended parts to rest positions.
5. **Lock out all power sources.** Use a lock designed only for this purpose. Each worker should have a personal lock.
6. **Test operating controls.** Turn on all controls to make sure the power doesn't go on.
7. **Turn controls back to "off."**
8. **Perform necessary repairs or maintenance.**

After maintenance is finished, and before restarting equipment:

- Remove tools.
- Reinstall machine guards.
- Make sure workers are a safe distance away while restoring energy.
- Notify others that the machines are back in use.