



CONNECTICUT AUTOMOTIVE RETAILERS ASSOCIATION

36 Trumbull St Hartford, CT 06103 Tel: (860) 293-2500 Fax: (860) 527-2582

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ATTACHMENTS:

- A. CAR Cares Questionnaire
- B. OLRs Vendor Transfer Request Form

ENCLOSURES:

1. Revised H-13 Form
2. Alert: New FMLA Revisions – *courtesy of Reid & Riege, P.C.*

ROUTE:

GENERAL MANAGER _____	SALES MANAGER _____
BUSINESS MANAGER _____	NEW CAR MANAGER _____
SERVICE MANAGER _____	USED CAR MANAGER _____
F & I MANAGER _____	PARTS MANAGER _____
TITLE CLERK _____	OTHER _____

HAPPY NEW YEAR!

The CAR Association Directors and Staff extend their warmest wishes for a health-filled and prosperous 2009 to you, your family and employees. It has been a privilege and a pleasure to work for you during the past year and we look forward to working together in the years to come.

Thank you for your membership, goodwill and commitment to the CAR Association. May the good cheer of the holiday season be yours throughout the year!

**1.
EFFECTIVE
JANUARY 1, 2009**

2009 Minimum Wage

Connecticut's Minimum Wage increases to \$8.00 per hour on January 1, 2009 and increases to \$8.25 per hour on January 1, 2010.

2009 Social Security and Medicare Taxes

The Social Security wage base increases to \$106,800 for 2009. There is no wage base for Medicare tax. The tax rate remains at 6.2% for Social Security and 1.45% for Medicare tax.

2009 Unemployment Taxes

The Federal Unemployment Tax (FUTA) taxable wage base remains at \$7,000 for 2009.

The Connecticut Unemployment Tax taxable wage base remains at \$15,000 for 2009.

2009 Mileage Rates

The 2009 standard mileage rates for the use of a car (including vans, pickups or panel trucks) will be 55 cents per mile for all business miles driven.

Public Act 08-146 AN ACT CONCERNING MOTOR VEHICLE REPAIRS

Effective January 1, 2009 this Act requires a notice (1) in motor vehicle repair shops, (2) on a repair appraisal or estimate, and (3) on auto insurance identification cards informing customers of their right to choose the licensed repair shop that will fix their vehicles. By law, an appraiser and an insurer (unless an insured agrees in writing) are prohibited from requiring a person to use a specific repair shop.

The act prohibits a motor vehicle repair shop that participates in an insurer's vehicle repair program (which generally requires the use of a certain facility) from repairing a vehicle under that program unless the person whose insured vehicle needs repairs acknowledges in writing that he or she is aware of the right to have the vehicle repaired at a shop he or she chooses.

Appraisals

The act requires appraisals or estimates for automobile physical damage written on behalf of an insurer or a motor vehicle repair shop to include this notice in at least 10-point boldface type: NOTICE: YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL BE REPAIRED.

Repair Shops

By law, repair shops must display signs showing labor and storage rates, informing customers of certain rights, and how to contact the Department of

EFFECTIVE
JANUARY 1, 2009
CONTINUED . . .

Motor Vehicle (DMV). The act requires every motor vehicle repair shop also to prominently display a sign in the area where customers place work orders that is in boldface type and reads: NOTICE: THE CUSTOMER HAS THE RIGHT TO CHOOSE THE LICENSED REPAIR SHOP WHERE THE DAMAGE TO HIS OR HER MOTOR VEHICLE WILL BE REPAIRED.

Insurance Identification Cards

By law, insurers must issue automobile insurance identification cards annually, in duplicate, for each vehicle insured. For private passenger motor vehicle insurance policies delivered, issued, or renewed beginning January 1, 2009, insurers must include this notice on the identification cards in boldface type: NOTICE: YOU HAVE THE RIGHT TO CHOOSE THE LICENSED REPAIR SHOP WHERE THE DAMAGE TO YOUR MOTOR VEHICLE WILL BE REPAIRED.

Written Acknowledgement of the Right to Choose a Repair Shop

The act prohibits a motor vehicle repair shop that participates in an insurer's vehicle repair program from repairing a vehicle under that program unless the claimant (i.e., person whose insured vehicle needs repairs) acknowledges in writing that he or she is aware of the right to have the vehicle repaired at a shop he or she chooses.

The act permits the acknowledgement to be (1) included in the repair authorization, which a customer signs before repairs are made, or in a separate document and (2) faxed or e-mailed. The acknowledgement statement must be: **"I am aware of my right to choose the licensed repair shop where the damage to the motor vehicle will be repaired."**

By law, a motor vehicle repairer must obtain a customer's written authorization before making repairs (CGS § 14-65f).

2.
FORM 8300
REMINDER

The CAR Association has learned that the Internal Revenue Service is currently performing Form 8300 audits in our area. Dealers who have been through such audits informed CAR that the IRS has been checking dealership procedures for complying with Form 8300 rules. For example, does your dealership have a written procedure for cash reporting compliance in place?

Dealer Requirements

Federal law requires dealers to file Form 8300 with the IRS when a customer purchases a car with \$10,000 or more in cash or cash equivalents. It must be filed within 15 days of the transaction. **Dealers must also notify the customer, in writing, by January 31 of the following year that it has filed Form 8300.**

**FORM 8300
CONTINUED . . .**

One copy of the completed Form 8300 along with a copy of the notification to the customer should be kept in the deal jacket and another copy of each should remain in a separate folder of “8300 Forms”.

Possible Fines/Penalties

Fines and penalties can vary depending on the willfulness of the offense. If corporations willfully fail to file the proper form, fines of up to \$500,000 and up to five (5) years imprisonment, or both, may be imposed.

Having a written policy in place, and complying with the rule by filing the proper forms on time can be your best defense. The CAR Association can assist by sending you **IRS Automotive Alert: Cash Reporting and Your Dealership – Questions and Answers on Form 8300**. Call the Association office at (860) 293-2500 for your copy.

Also, for your convenience, following is a sample letter you can use to notify your customers by January 31 of the IRS cash reporting requirements:

Date

Dear Customer:

We are required by the Internal Revenue service (IRS) to report all transactions involving payments of \$10,000 in cash [26 USC 6050(I)].

We filed Form 8300 with the IRS on **(date)**, 2008, indicating that you paid us **\$(amount)** in connection with your purchase of a **(year, make, model and VIN)**.

Sincerely,
Dealership Name

**3.
MODEL 2009 FUEL
ECONOMY GUIDES
NOW AVAILABLE
ON-LINE**

Paper copies of the Environmental Protection Agency/Department of Energy annual fuel economy guide are no longer mailed automatically. The model year 2009 edition, available online, features fuel economy estimates based on updated EPA calculation methods.

Dealers must make copies of the guide available, free of charge, to customers who request them, so salespeople should know how to download copies as needed at www.fueleconomy.gov. You may send an email address to fueleconomy@ornl.gov to get an updated electronic copy of the guide each year.

The annual fuel cost estimates in the 2008 and 2009 electronic fuel economy guide are updated weekly by the U.S. Energy Department’s Energy Information Administration to match the current national average prices for gasoline and diesel fuel.

**4.
NADA CONVENTION
TO HOST
21 AUTOMAKER
FRANCHISE MEETINGS
AT CRITICAL TIME**

Now that U.S. automakers will receive emergency bridge loans, attention has shifted to the NADA Convention in New Orleans, Jan 24 – 27, 2009 when dealers will have an opportunity to meet face-to-face with the top leadership of the auto manufacturers.

NADA's Industry Relations Group has announced that 21 separate manufacturer franchise meetings have been confirmed at the convention.

To handle what is expected to be a renewed interest in the convention, NADA has extended online registration until 3 P.M. on Monday, January 5.

"NADA is pleased that nearly all of the automaker CEOs plan to attend these important meetings," said Annette Sykora, NADA Chairman. For example General Motors' Rick Wagoner, Toyota's Jim Lentz, Chrysler's Jim Press and Ford's Alan Mulally are all planning to attend. Mulally will deliver the keynote industry address during the convention's opening session on Saturday, January 24.

"There could not be a more important time for a dealer to attend the NADA convention and hear directly from manufacturer partners," said Sykora. "Franchise meetings offer dealers the opportunity to hear from NADA, dealer councils and the automaker's leadership, as well as ask questions of their manufacturer's directly. "These meetings come at a critical time," Ms. Sykora said. "Automotive retailing is going through historic changes, and there is no better place for dealers to meet and discuss the future of their industry than at the NADA Convention," she added.

After January 5, dealers will have to register on-site in New Orleans. If changes need to be made to hotel reservations, Experient, the reservations agent, can be contacted until January 5 at (800) 974-3084. After January 12, dealers will have to contact hotels directly to make changes. Information, registration and a complete list of scheduled franchise meetings can be found by visiting www.nada.org/convention.

**5.
YOUR QUESTIONS
ANSWERED**

Q. An ex-employee has asked for a copy of her personnel file. Is she entitled to it?

A. Yes. Connecticut law says employees and former employees in private industry may inspect and copy their personnel files and medical records within a "reasonable" time after making written request.

Employers may require that the inspection be done on company premises and in the presence of a company official; they may also charge a reasonable fee for copying. Inspections need not be allowed more than two times per calendar year.

**YOUR QUESTIONS
CONTINUED . . .**

Q. One of our employees quit and initially declined COBRA continuation coverage. But then she changed her mind before the 60-day election period. Do we have to provide continuation coverage?

A. Yes, a qualified beneficiary who waives COBRA continuation coverage can revoke the waiver at any time before the end of the election period. However, coverage need only be provided prospectively – that is, it can start on the date the waiver was revoked. Waivers and revocations of waivers are considered made on the date they are sent to the employer or plan administrator.

**6.
WHITE HOUSE
APPROVES
AUTOMAKER
BRIDGE LOANS**

On Friday, December 19, 2008, President Bush announced a \$17.4 billion package to provide bridge loans to General Motors and Chrysler from the Troubled Asset Relief Fund (*TARF*). Both companies will be required to submit restructuring plans to the White House, including conditions that were part of the legislation negotiated between the White House and Congressional Democrats. The automakers have a March 31, 2009 deadline to provide proof of their financial viability, or they must immediately pay back the government loans and file for Chapter 11 bankruptcy.

While the plans do not preempt State franchise laws or mandate trimming of dealer networks, many in the media and on Capitol Hill have called on troubled automakers to make dealer cuts. The CAR Association has worked closely with the Connecticut Congressional Delegation and the NADA to educate members of Congress and the media on the value of the dealer and the role of State franchise laws in maintaining a competitive marketplace.

**7.
CAR CARES
UPDATE**

As part of the new CAR Cares Program, fill out the one-page community relations questionnaire (**ATTACHMENT A**) and get a free CAR Cares tri-fold brochure, customized for your business! Complete artwork is supplied electronically – simply print and fold copies for your customers, or have it done at your local printer. Additionally, members who participate get the CAR Cares community relations logo to use on forms, letterhead, literature . . . etc. Information collected from the



questionnaires will be used anonymously in a brochure targeting government and community leaders. Call the Association office (860) 293-2500 with any questions. We look forward to your support.

**8.
NEW OLRS
VENDOR TRANSFER
PROCEDURE**

Beginning January 5, 2009 transferring to another On-Line Registration Vendor will require a 30-day waiting period. If you decide you'd like to transfer from one vendor to the other, you will need to complete the attached request form (**ATTACHMENT B**) and return it to the association via fax or mail – or you may request an electronic copy of the form and return it via email. The 30-day waiting period will begin upon the date of request entered on the transfer form [However, if the transfer request is received more than 10 days after the request date you will be notified that your 30-day waiting period will begin upon date of receipt.]

We will notify DMV of receipt of your request so they may put you on the schedule to transfer your account as close to the 30-day period as possible.

**9.
DMV CORNER**

Sales To Non-Profit Organizations

When a registrant is applying for sales tax exemption or reduced registration fees due to the non-profit status of their organization the following documents must be provided:

- 1) DRS form Cert-119 and the DRS tax exempt permit; or
- 2) DRS form Cert 119 and the federal IRS determination letter; or
- 3) DRS tax exempt permit # and the federal IRS determination letter.

The federal IRS determination letter must certify that the organization qualifies for the exemption under the Internal Revenue Code 501 (c)(3) or 501 (c)(13). (Other IRC codes are not acceptable for the tax exemption).

A copy of the documents must be attached to the title copy of the H-13

Revised H-13

Enclosed (**Enclosure 1**) please find a copy of the revised H-13 received from DMV this past week. Use of this version will not become mandated until next quarter but we wanted you to be aware of the upcoming change so you could schedule any necessary reprogramming of your computer systems.