



Massachusetts Package Stores Association, Inc.

30 Lyman St. - Suite #2 / Westborough, MA 01581
Phone: (800) 322-1383 - www.masspack.org

April 2018 NEWSLETTER

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear MassPack Community,

The primary focus within the MassPack office is membership support and advocacy for the independent package store industry within Massachusetts. Our objective is to provide the membership with effective advocacy, programming and services that help package stores compete within an evolving marketplace. Everything we do from the offering of analytical information for member stores to recommended POS services providers to our Workers Compensation Insurance benefit is being audited for improvement. We are also engaged in direct and indirect advocacy every day that supports and sustains your business. MassPack advocacy matters because the three-tier system in Massachusetts is under attack from every possible direction. Whether it is a national retailer working toward blending the tiers, or Amazon aiming to expand their e-commerce business, or brewers who want to be producer, distributor and retailer, the regulatory system in Massachusetts is under extreme pressure to reform. Attacks to the 3-tier system are often veiled as efforts to meet consumer demand, support entrepreneurship, generate tax revenues and remove regulatory market constraints.

Some agents for change are engaged in a national campaign to broaden the power exercised within the Commerce Clause to restrain the 21st Amendment by persuading Congress and the public to support their objectives. They are simultaneously delegitimizing the three-tier system via judicial challenges. Others seek to dilute regulations by challenging and amending state law such as M.G.L. Ch. 138. Look no farther than the recommendations within the Treasurer's Alcohol Task Force Report. Many of the thirty-seven recommendations, if enacted, would virtually rewrite M.G.L. Ch. 138 in a manner that produces direct competition against independent package stores. Part of our job at MassPack is to read the tea leaves and inform the membership. There have been many changes within the package store industry during the past decade. More is coming as the year 2020 is around the corner. Please know upfront that MassPack is working to drive the change within our industry rather than react to it. By being directly involved with legislators, the Baker Administration, the Congressional Delegation, the ABCC, AG and many others, our independent package store industry will be sustained and positioned for growth and success.

What is MassPack doing? For starters, we are educating elected officials about your economic impact to Massachusetts. We are also demonstrating how independent package stores serve as the gatekeeper against underage drinking, overconsumption and prevention of adulterated product from reaching the customer. MassPack is also challenging national and state efforts aimed at rewriting regulations that protect independent package stores. We are also pushing back on the litigation front.

Independent package stores need allies within the media, legislature and its consumer base. In interviews with the media and discussions with legislators and stakeholder groups, MassPack is communicating how our membership strengthens the Three-Tier System. The bottom line is that regulation of alcohol is not the same as the regulation of bread. You would be surprised at how many officials do not instinctively recognize the difference. MassPack is also demonstrating why and how independent package stores make a difference in their communities.

Experience has taught me that MassPack cannot win these fights alone. We need your participation and support. Please help us teach others to understand and value our industry. I also ask for your help to improve MassPack and grow our membership. Thank you for all that you do in running your businesses. I look forward to working with you in the years ahead.

Respectfully,
Rob Mellion, Esq.
Executive Director and General Counsel

Employers Get First Look at the New MassHealth EMAC Assessment

The MassPack Office recently learned that employers can now get their first look at how much money they may owe under the new EMAC assessment designed to close a budget deficit in the MassHealth program for low-income people. The first bills for the Employer Medical Assistance Contribution (EMAC) Supplement will be included in employers' 2018 first-quarter Unemployment Insurance (UI) contributions. Information detailing EMAC Supplement costs became accessible in April via the employers' online account system through the Division of Unemployment Assistance (DUA). The EMAC assessment is a new wage tax to be paid by employers who have workers enrolled in either the MassHealth program or subsidized Health Connector coverage. The EMAC assessment works by applying a 5 percent tax on these employees' wages – up to \$750 maximum annually – if they are enrolled in either program for 56 continuous days during the preceding quarter. Here are basic steps to view your EMAC Supplement bill:

1. Employers with six or more employees will access their liability for the EMAC supplement quarterly, via their DUA online account, when they provide their quarterly wage filing;
2. Detailed information will be provided as to the number of employees on MassHealth or subsidized Connector coverage;
3. Employers have 10 days from receipt of this information to appeal the determination of liability to the DUA.

Employers who use third party administrators (TPA) to handle their UI payments will face a few additional steps to authorize the TPA to access your complete EMAC Supplement information. Different TPAs are handling the EMAC Supplement differently, so MassPack urges all employers to communicate with their TPAs as soon as possible to understand any additional steps. The EMAC Supplement tax will fall most heavily on companies where employees use MassHealth instead of an employer health plan. The assessment has been partially offset by a two-year Unemployment Insurance rate adjustment, saving employers \$335 million during two years.

The Massachusetts Legislature last year passed, and Governor Charlie Baker signed, this \$200 million tax on employers for calendar years 2018 and 2019 to cover a shortfall in the health insurance program for low-income residents. MassPack is working with other business associations to trigger the sunset provision that came with this new assessment.

More About EMACs

The MassPack office is getting many calls about the new EMAC assessments on small businesses. Members want to know what it is and whether it applies to them. What are EMACs?

Here is what you need to know. The new Health Care Assessment that is part of the Employer Medical Assistance Contribution (EMAC) on businesses in Massachusetts went into effect on January 1, 2018. Recall that last year began with the surprise of the EMAC provision being established. The new assessment was an amendment within the Commonwealth's FY 2018 Budget. The purpose behind the contribution was to gap fill a budget shortfall in the state's Medicaid program, which is known as MassHealth. MassHealth currently comprises more than 41% of the state budget. Against protests of MassPack and virtually every other business association, the new assessment on businesses was passed by both houses of the legislature.

The EMAC assessment is imposed on employers through a two-prong system aimed at capturing revenues. The first prong was through the state's unemployment insurance tax system's raising of the existing annual EMAC from \$51 to \$77, per employee. That was a 33% increase assessed to all employers with 6 or more employees. The second hit, EMAC (2) is the new state requirement of a \$750 assessment per employee on employers that have non-disabled workers enrolled on MassHealth, or another state subsidized healthcare plan. Your business should not get hit with the EMAC (2) if none of your employees use MassHealth for their health insurance.

The situation regarding EMACs is becoming acute because the new EMAC supplement assessed on employers whose workers receive subsidized healthcare is going to appear on the forthcoming quarterly statements for Unemployment Insurance premiums issued through the Department of Unemployment Issuance Assistance. It is in this statement that employers may see an EMAC assessment appear. Aside from unsuspecting businesses getting hit with potentially huge fees, there are still many unanswered questions about the new EMAC (2) tax on businesses.

MassPack addressed numerous concerns in both oral and written testimony to the Department of Unemployment Assistance (DUA) at their hearing on the EMAC (2). In the MassPack testimony it was demonstrated that the EMAC increases are particularly harmful, because the employer payments are unfairly front loaded during the first two quarters of the year. For most businesses, the taxes are fully paid by the end of the second quarter. This system does not work if the employee leaves the employer before 12 months. An example would be seasonal employees.

Another concern is that the state can potentially collect \$750 multiple times from different employers for the very same recipient of subsidized healthcare. This scenario arises when an employee changes their job during the year. The DUA is currently cross-referencing wage data (which is input by employers each quarter, and upon which all UI costs and EMAC costs are based) with MassHealth enrollee data to calculate this assessment on employers. In the meantime, the Division of Medical Assistance has been charged with creating an employer healthcare coverage form. As of yet there has been no progress on the new form. MassPack is sure when it will be ready for primetime, but we will keep you updated as we learn more.

Please know that the MassPack office is working and advocating every day for you. MassPack recommended to the DUA that in the short term the assessment should be spread out over four payment quarters, rather than two. The long-term strategy is to terminate this assessment. There is a 2-year sunset clause within the new EMAC (2) provision. MassPack wants it triggered.

Ryan Maloney of Julio's Liquors Honored as Brown-Forman Retailer of the Year Recognized for Their Continued Commitment to the Beverage Alcohol Industry at 2018 ABL Annual Meeting in New Orleans

As part of ABL's 16th Annual Meeting at Harrah's New Orleans Hotel & Casino in New Orleans, Louisiana, Ryan Maloney of Julio's Liquors in Westborough, Massachusetts was recognized as a 2018 Brown-Forman Retailer of the Year in a ceremony at the ABL Honors Gala on March 12. Maloney, a longtime member of the Massachusetts Package Stores Association, was recognized alongside 15 other beverage retailers from across the United States. Recipients were nominated by their state beverage associations for their success and dedication to the beverage alcohol industry.



"The Brown-Forman Retailer of the Year Awards provide us with an opportunity to recognize and honor our members – those individuals who serve as the face of the beverage alcohol industry to the consumer," said ABL Executive Director John Bodnovich. "When selecting these members for their awards, there are numerous aspects of small business ownership that are taken into account; among these are: excellence in advocacy, responsible sales and service practices, community engagement, and their support of their state affiliate."

For more than two decades, the Brown-Forman Retailer of the Year awards have celebrated and recognized independent retail beverage business owners who engage in responsible sales and service of beverage alcohol, and who are committed to their state beverage associations. MassPack congratulates Ryan Maloney and Julio's Liquors for their outstanding and continued contributions to the industry and their communities.

"Thanks to the continued support of Brown-Forman and their sponsorship of the Retailer of the Year awards, ABL is able to honor the top on- and off-premise beverage retailers from the nearly 30 state retail beverage associations that ABL represents nationwide," Bodnovich added.

Brown-Forman, one of the world's leading distilled spirits producers, has remained a steadfast sponsor of the awards, recognizing the importance of vibrant independent alcohol retailers, and continuing their support of those who are the last to handle beverage products before they reach the hands of consumers. In attendance to present awards to this year's recipients was Teddy Graziano, Brown-Forman's Louisiana State Manager, who thanked each of the recipients for their hard work and efforts to positively define the industry.

REAL ID is a Federal Security Standard for IDs that was created in 2005 as a result of increased federal security measures after the September 11, 2001 terrorist attacks.

REAL ID will be available in Massachusetts beginning March 26, 2018; however, you will not need a REAL ID until October of 2020. If you have an active passport and don't mind carrying it, you will never need a REAL ID.

After October of 2020, you will need either a passport or REAL ID when you fly in the U.S. or enter certain federal buildings.



REAL ID is a
**Federal Security
Standard for IDs**

**Schedule of Alcohol Server Training Seminars (BAT) Beverage Alcohol Training Spring 2018.
Server training dates:**

- Tuesday, May 1, 2018, Williams Distributing
- Tuesday, May 22, 2018, Best Western/Royal Plaza Hotel
- Tuesday, June 5, 2018, Holiday Inn Hyannis

A registration form is included in this newsletter. For more information visit the Server Training tab on our website: www.masspack.org or call the office at (508) 366-1100.

GRAND TASTING & BUYING EVENT - MAY 9TH 3 - 7:00PM at LOMBARDOS

**Massachusetts' Premier
Tasting & Buying Event!**

**CELEBRATE
THE SPIRIT OF '76!**

**When: May 9th, 2018
from 3:00 - 7:00pm**

Where: Lombardo's, (Off 95) Randolph, MA

**FREE Admission, Great Food, Hundreds of Tastings,
One Day Specials, New Products and Surprises!**

Mass Package Stores Association Inc.
Call 1-508-366-1100 for more information.



NEW MASSPACK OFFICE – MassPack has moved to a new centrally located office space. We welcome our members to come in for a visit. Please give us a call if you would like to come by.

MA Package Stores Association, Inc.
30 Lyman St., Suite 2
Westborough, MA 01581
(508) 366-1100



**Schedule of Alcohol Server Training Seminars
(BAT) Beverage Alcohol Training Spring 2018
The Massachusetts Package Stores Association**

REGISTRATION FORM

Please fill out the entire registration form and remit with a check or credit card payment prior to attending the alcohol server training program.

Check the server training date you are planning to attend:

___ Tuesday, May 1, 2018, Williams Distributing
880 Burnett Road
Chicopee, MA 01020

___ Tuesday, May 22, 2018, Best Western/Royal Plaza Hotel
181 Boston Post Road West
Marlboro, MA 01752

___ Tuesday, June 5, 2018, Holiday Inn Hyannis
1127 Route 132
Hyannis, MA 02601

TIME: 6:00PM check-in & class starts promptly at 6:30PM
Be sure to arrive no later than 6:15PM to secure your seat.

COST: \$30 for MassPack members/person
\$45 for NON-MassPack members/person
10% discount for 5 or more attendees

Owner's Name: _____ **2018 MassPack Member?** _____

Store Name: _____ **Phone # ()** _____

Address: _____ **City/State/Zip:** _____

Name of attendees: _____

PLEASE PRE-REGISTER 10 days prior to your seminar / Mail check or charge card info to:
MassPack, 30 Lyman St., Suite #2, Westborough, MA 01581. Any questions, call: 508-366-1100.
To pay by Charge Card, you may fax to: 508-366-1104.

Charge Card #: _____ **Exp. Date:** _____

Name on card: _____ **Amount Charged: \$** _____

Credit Card Address: _____

MASSACHUSETTS PACKAGE STORES ASSOCIATION

**We acknowledge those suppliers who have shown their support
for the package store industry in Massachusetts by becoming...**

2017/2018 ASSOCIATE MEMBERS

3 x 3 Insights	J Polep Distribution
Abacus Distributing LLC	Latitude Beverage Co.
Alberta Payments	Lemate of New England, Inc.
American Insulated Panel Co.	Martignetti Companies
Anheuser Busch, Inc.	MA Beverage Business Journal
Association Members Insurance	Merrimack Valley Distributing
Atlantic Beverage Distributors	Miller Coors
Atlas Distributing, Inc.	mPower Beverage Software
Bacardi USA	M.S. Walker, Inc.
BayState Business Brokers	Narragansett Brewing Co.
Baystate Wine Co. Inc.	Payment Alliance International
Black Lab Alarm, Inc.	PC Solutions
Burke Distributing Corp.	POS Advisors LLC
Carolina Wine & Spirits	Quality Beverage Ltd.
Charles River Wine Co.	Retail Control Systems
CheckWriters Payroll	Ruby Wines Inc.
Classic Wine Imports	Seaboard Products Co.
Colonial Wholesale Beverage	Squizzero, Carp & Associates
Commercial Distributing Co.	Summit Ice Inc.
Commonwealth Wine & Spirits	The Business Exchange
CoveRisk Services, LLC	The Tap Brewing Co.
Craft Brewers Guild	TOMRA of North America
Distilled Spirits Council	Tri Wine Company
Drync	Truro Vineyards of Cape Cod
ENVIPCO	Turn-Key Distrib. Systems
First Data	United Liquors
Forbes Snyder - dba Advanced Business solutions	WB Mason Co., Inc.
George & Co. Business Brokers	Westborough Books Inc.
Harold Levinson Associates	White Lion Brewing
Horizon Beverage Co.	Williams Distributing Co.
HUB International NE	Winebow Boston
Intellicheck ID	Yiannis Distributing

THANK YOU FOR YOUR SUPPORT!

New Associate Members – *We invite you to support these businesses that support your association.*

ALBERTA PAYMENTS - www.albertapayments.com

PAYMENT ALLIANCE INTERNATIONAL - www.GOPAI.com

THE HAVERHILL BREWERY (DBA THE TAP BREWING CO.) – www.tapbrewingcompany.com