



The Director

March 2011

ARKANSAS FUNERAL DIRECTORS ASSOCIATION



PRESIDENT'S MESSAGE

Hello AFDA Members,

Things are busy as we prepare for our new event being held at the beautiful campus of ASU in Mountain Home on March 17th. This is something that we are wanting to do in order to help ASU meet some of their requirements, introduce AFDA, its

members and associates to the students, network with students who will be seeking jobs and provide 2 CE hours for licensees.

When I became president, I said I wanted AFDA to be

more mobile and reach out to its members. I felt we could create new ways of making AFDA more beneficial to our membership by offering more opportunities to network and receive CE hours. The chance to work with ASU came up and I wanted to give it a shot.

ASU would like to make this an annual event and as we work with them, I feel it will become one that we will all look forward to each year. We need your thoughts on how to develop this event. We have several vendors who are very excited about this and want to make this a success. With them behind us, we need you to come as well.

The fee is low and we hope you can send as many

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AFDA Mission Statement

Inspiring
excellence
in service for
funeral
professionals.

1020 W. Fourth St., Ste. 400
Little Rock, AR 72201
www.arfda.com
Phone: 501-687-9860
Fax: 501-372-4505

Requirement to Issue IRS Form 1099 to Expand Dramatically Under Health Care Law

By: T. Scott Gilligan, NFDA General Counsel

Under Section 6041 of the IRS Code, funeral homes, like other businesses, are required to provide a Form 1099 to any person (other than an employee) that provides \$600 or more in services each year. For most funeral homes, this tax code requirement is a minor annoyance since generally 1099s will only have to be issued to trade embalmers, hair dressers, and a few other independent contractors. An average funeral home may issue anywhere from 10-20 Form 1099s a year for services provided by outside contractors.

This will all change in 2012 unless Congress repeals Section 9006 of the Patient Protection and Affordable Act (the "Health Care Act"). Section 9006 revises and expands the tax code provisions regarding who must receive a Form 1099. Starting in 2012, a business will have to issue a 1099 to any individual or corporation that provides \$600 or more in services or merchandise to the business annually.

The Health Care Act expands the obligation to issue 1099s in two meaningful ways. First, businesses will have to issue 1099s to corporations and not just individuals.

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MARCH 17, 2011
2 CEU
ASU Mountain Home



April Outreach Seminars— The Good Death, Good Grief, Good Funerals

April 5 Bethlehem, PA
April 6, Newton Center, MA
April 12 Atlanta, GA
April 18 South Bend, IN

Featuring:

Dr. Thomas G. Long and Thomas Lynch

AFDA is hosting a one day seminar at the Vada Sheid Community Design Center on the ASU Mountain Home campus. This is a way to meet the future managers, buyers, decision makers and owners and start a business relationship with them. The objective of the event is to introduce students to AFDA and the vendors representing the products they will be offering to the families they will serve.

To register for the event visit
<http://www.arfda.com/id59.html>
or contact the AFDA office at 501-687-9860.

Invite local clergy, hospice and healthcare professionals! Help them understand the value of what YOU do in the Continuum of Care! Call NFDA for assistance.

SAVE THE DATE
JUNE 5-7, 2011
AFDA STATE CONVENTION
HOLIDAY INN AIRPORT
REGISTRATION INFORMATION COMING SOON!

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people from your firm as possible. A 1 hour CE will be presented by Steve Ballard and Brian Carroll on their findings at the recent CANA Convention. The second hour will be a roundtable discussion of ASU and the program they offer, student testimonials and topics discussed at the Advocacy Summit held in Washington, DC. The second hour will be during lunch catered by El Chico's. The vendor tables will be open during registration and following lunch. We have several vendors who are going to participate and I want to publicly thank them for their support. The event will conclude with a optional tour of the campus.

As we try to reinvent AFDA and make it more viable

to you and your firm, please don't hesitate to call or email us with your thoughts and ideas. We are adding benefits every year, but we need to add more members every year. This isn't about AFDA making money but about creating incredible resources for your firm to help the families you serve. Please help us make AFDA a model association.

Sincerely,

Bobby R. Thurman
AFDA President



NFDA News and Events

National Funeral Directors Association

The Director Goes Digital

The Director, NFDA's official publication, will be available in a digital format beginning with the March issue. NFDA members can access the March 2011 digital edition of *The Director* free of charge on the NFDA website on or about the first of the month. The print edition will still be available and you need to log into the NFDA website to view the digital edition at www.nfda.org/the-director.

Important Tax Provisions in the President's Proposed 2012 Budget

Tax Provisions in the President's Budget Impact Family Owned Businesses, Subchapter S and C corporations, and Capital Gains and Dividends. The President is arguing for higher tax rates on upper income taxpayers beginning in 2013, where the top rate on families and businesses will rise from 35% to 43.4%. He continues to press for taxing capital gains and dividends at 20% for upper income taxpayers. They are both at 15% for the next two years, with the dividend rate scheduled to return to 39.6% while the capital gains would revert to 20% in 2013. This income would be subject to the new 3.8% investment tax too. The President also calls for returning to the 2009 rules of a \$3.5 million exemption and a 45% percent top rate. NFDA strongly supports making permanent the current estate tax exclusion and rate. Also, the budget reflects a significant tax increase for both C and S corporations compared to current policies.

NFDA Advocacy Summit

March 9-11, 2011

Renaissance Mayflower Hotel
Washington, DC

To register visit

www.nfda.org/advocacysummit

Teleconference (1CE hour)

March 17

NFDA Cemetery Owners
Greening Your Cemetery: Practical Steps
to Boost Exposure— Barbra Milton

NFDA Professional Women's Conference

April 1-3, 2011

Hotel Monaco Alexandria, VA
Hotel Deadline is March 4, for reservations visit

www.nfda.org/pwc

John Canine Webinar

March 24

If you're Not the Death Care Expert in
Your Community-You Should Be!

2011 CPC Seminars

For more information about the CPC program
visit www.nfda.org/cpc

March 21-22 Houston, TX

April 6-8 Decatur, GA

May 16-18 Winnipeg, Canada

June 4-5 Bend, OR

July 18-20 Toronto, Canada

October 22-23 Chicago

NFDA International Convention and Expo

October 23-26, 2011

McCormick Place, Chicago, IL

For more information visit

www.nfda.org/chicago2011

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Secondly, the \$600 threshold is triggered by purchases of merchandise as well as services. Therefore, starting in 2012, funeral homes will have to issue 1099s to casket companies, vault sellers, cemeteries, monument companies, embalming fluid suppliers, auto dealers, insurance companies, phone companies, utilities, etc.

The minor nuisance funeral homes currently encounter every January will turn into a paperwork nightmare as payments must be tracked, tax identification numbers and addresses collected, and multiple 1099s issued.

Why did Congress make this change and how did it end up in the Health Care Act? It was made as a way to offset the tremendous costs of the Health Care Act. The Obama administration added the provision to the Health Care Act as a revenue enhancer, arguing that it will raise \$17 billion in under-reported taxes over the next ten years. Of course, it will also create a paperwork nightmare for small businesses and the IRS which, by one estimate, will be handling five billion additional 1099s a year starting in 2012.

During the debate on the massive Health Care Act, the new 1099 requirements were largely overlooked. However, as the Health Care Act has been dissected, a growing opposition to the new 1099 requirements has developed. In the recent lame duck session, legislative efforts to repeal the new 1099 reporting requirements were narrowly defeated. Congressional leaders have promised to work on a legislative fix to the issue prior to 2012 when the new 1099 reporting requirements would go into effect.

NFDA continues to monitor legislative efforts to repeal the 1099 reporting requirements. A House vote was expected as early as **March 2, 2011**.

OSHA Releases Respiration Training Video

OSHA recently released a training video for healthcare employers designed to explain the proper

use of respirators and the protection they offer from the airborne hazards of infectious disease and hazardous chemicals. The 33-minute video, "Respiratory Protection For Healthcare Workers," is available free of charge on the U.S. Department of Labor's [YouTube](#) Channel.

The video contains information about the components of a respiratory protection program, the difference between respirators and surgical masks, and common respiratory hazards found in healthcare settings, including airborne infectious agents that cause diseases such as tuberculosis, pandemic influenza, severe acute respiratory syndrome, chicken pox and measles. The video makes it very clear that respiratory protection must be used when there is the possibility of aerosolization due to a procedure performed on a "suspected or confirmed" case of infection.

The video also focuses on the use of respiratory protection when using airborne chemical hazards – including formaldehyde and glutaraldehyde, both of which are used by funeral directors and embalmers – or when engaged in aerosol-generating procedures. According to an OSHA news release, "Toxic substances can cause eye and nasal irritation, headaches, asthma and other symptoms. Additionally, formaldehyde is a carcinogen that has been linked to nasal and lung cancer, with possible links to brain cancer and leukemia."

The video is characterized by OSHA as an important tool that can be used as part of the training requirements for a respiratory protection program should one be required at the work site because of biological or chemical hazard exposure. The overall training program must be site specific and focus on actual workplace conditions and hazards.

For more information about the OSHA Respiratory Protection Standard, NFDA members can call the association's FREE OSHA Hotline at 800-633-2674. The hotline can assist with nearly all inquiries; however, NFDA members can also call NFDA OSHA Counsel Edward M. Ranier with legal questions at 410-967-1812.