



This FANmail is brought to you by: Julie and John Carros

*"We embrace the differences that exist in each of our employees, encourage them to express themselves and make sure to take advantage of what they have to offer to build a strong, cohesive and inclusive work environment."*

-- Julie and John Carros, Wag N' Wash franchise owners in Monument, CO

### Reminder: Submit Comments for Joint Employer Rulemaking

As you know, the National Labor Relations Board (NLRB) is collecting public input on the joint employer issue as part of the regulatory rulemaking process. IFA will be submitting comprehensive comments before the 60-day comment period ends on November 13. We need to ensure all franchise voices are included. To submit predrafted comments, please text **RULEMAKING** to **52886** or click [here](#). IFA strongly encourages your participation and the participation of your entire franchise system in this important process!

### IFA Meets with FASB to Discuss Revenue Recognition Rule



Yesterday, IFA met with the Financial Accounting Standards Board (FASB) to address

the franchise community's concerns with the revenue recognition rules. Under the new FASB rules, starting on January 1, 2019, private franchise companies will have to comply with new accounting standards for the recognition of revenue in licensing contracts. IFA staff were joined by members of the internal FASB task force Aaron Chaitovsky and Joe Turkewitz of Citrin Cooperman, and Lee Plave of Plave Koch.

Thank you to the more than 75 brands that also signed on to a letter to members of Congress on this issue relaying major concerns with the new rule!

If you have any questions regarding the issue, please contact IFA's [Suzanne Beall](#).

## **FASTSIGNS in Indianapolis Hosts Senate Candidate Mike Braun**



On Friday, October 12th, FASTSIGNS in Indianapolis, IN, hosted U.S. Senate Candidate Mike Braun (R) for a roundtable to discuss franchise issues. With midterm elections approaching, local IFA members met with Braun and discussed critical issues such as joint employer and tax reform.

## **Department of Labor Issues New Rule on Retirement Savings**

On Monday, the Department of Labor (DOL) issued a new rule to make it easier for small businesses to offer 401(k) plans, part of an effort to close a retirement-plan coverage gap that affects millions of employees. The proposed regulation would allow companies to band together to offer 401(k) plans sponsored by entities including business associations. Similar to the Association Health Plans (AHPs), the rule includes a safe harbor from any new joint-employer liability as a result of participating in a plan.

“Increased options for retirement plans can help America’s nearly 8 million franchise business employees have greater economic stability and better provide for their families. IFA applauds the Department of Labor for yet another proposal to help America’s small businesses and their employees,” stated IFA President and CEO, Robert Cresanti.

Read more [here](#).

## **Department of Labor to Issue Joint Employer Rulemaking**

Last week, the Department of Labor (DOL) announced that it plans to propose a rule clarifying the situations in which one business is considered a joint employer of workers at another business for wage and hour purposes. The rule is expected to roll out by the end of year as part of the DOL's new [regulatory agenda for Fall 2018](#). IFA has led efforts to advance a DOL joint employer rulemaking under the Fair Labor Standards Act. In October, dozens of Members of Congress and Senators wrote to the DOL to urge the department to promulgate a joint employer rule along historically-accepted standard. This follows the IFA annual fly-in in September, where more than 400 franchise business leaders encouraged Congress to push the DOL toward this rulemaking.

Read IFA's press release [here](#).

## **Take Action: St. Paul Discriminates Against Franchises in Proposed \$15 Minimum Wage**

St. Paul City Council Member Chris Tolbert unveiled [legislation](#) for a citywide \$15 minimum wage ordinance. Larger businesses - more than 10 franchise establishments - will have 5 years to phase in the \$15 minimum wage versus a 7-year phase in for 'small' businesses. A public hearing is scheduled for November 7. IFA will be setting up meetings with council members, including the primary sponsor, Councilman Tolbert, in the coming weeks. It will be imperative to have franchisee voices in the room, so if you have operators in the St. Paul area who will be willing to engage, please contact IFA's [Jeff Hanscom](#).

[TAKE ACTION HERE](#) to prevent the ordinance from becoming law, thus accelerating the timeline under which all franchise owners in the city of St. Paul will be required to pay employees \$15/hour.

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## IFA Members Testify at IRS Public Hearing on Tax Reform



On Tuesday, October 16, the IRS held a public hearing as the agency prepares to finish the rules for the new 20% deduction for pass-through businesses. IFA members, Charles and Carolyn Thurston of Wisdom Senior Care attended the hearing on behalf of IFA to ask for clarity on what establishes as a "service business" and how much services they can provide before losing eligibility.

## IFA Board Member and FranNet CEO Applauds Senator Mitch McConnell



IFA board member and CEO of FranNet, Jania Bailey, penned an op-ed in the Louisville Business Journal recognizing Sen. Mitch McConnell's (R-Ky.) efforts to fighting for franchise small businesses. Bailey discusses the rise in business optimism in Kentucky under the leadership of Sen. Mitch McConnell (R-Ky.). "Whether through lower taxes, fewer regulations or an increased focus on the opioid crisis, McConnell has been a champion for Kentucky businesses. I hope all Kentuckians take note," Bailey added.

Read the op-ed [here](#).

## FAN Launches Civic Action Center to Help You Prepare for Midterm

## Elections

Midterm elections are around the corner, and in order to make it easier for the franchising community to come together and vote for franchise-friendly candidates who understand small business issues, IFA's Franchise Action Network (FAN) launched the [Civic Action Center](#). Decisions made by local, state and federal lawmakers have a direct impact on the franchise business model. Election day is your chance to choose the people making those decisions. Voting is your opportunity to make a difference, to take advantage of the rights bestowed on you as an American citizen, and to speak your mind. Your vote is important, and we want you to go to the polls this Fall and cast your ballot. The Civic Action Center can assist you with:

- Voter registration
- Information on early voting options and requesting an absentee ballot
- Learning which candidates are on the ballot
- Locating your polling place

Voter registration deadlines are fast-approaching, so it is important to register (or update your registration). Visit the [Franchise Action Network's Civic Action Center](#) now to find out what you need to do to VOTE!

For any questions, please contact IFA's [Erica Farage](#)

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## In the News

[St. Paul City Council OKs amendment to slow rollout of \\$15 minimum wage](#), *Twin Cities*

[True or False: 'Joint Employer' Plan Based on Economics](#), *Bloomberg*

[New Health Options for Small-Business Employees](#), *The Wall Street Journal*

[401\(k\) Rule Change Would Ease Small Companies' Path to Joint Plans](#), *The Wall Street Journal*

[Marriott Faces California Labor Inquiry as Workers Strike](#), *Bloomberg*

[Pending 'Joint Employer' Rule Raises Questions of DOL Authority](#), *Bloomberg*

[Trademark Licensing Protection Act to Prevent Brand Control from Creating Joint Employer Relationship](#), *IP Watchdog*

[Conservatives ask Senate to block Chuck Schumer-favored labor board nominee](#), *Washington Examiner*

[Trump Administration Taking On Overtime Pay, Franchise Liability](#), *Bloomberg*

[What's Monopsony? It May Be the Reason You Haven't Had a Raise](#), *Bloomberg*

[McDonald's Labor Case Gets Political](#), *Bloomberg*

[What's a Service Business? That's Now a Multibillion-Dollar Tax Question](#), *The Wall Street Journal*

[McDonald's Franchisees Plan Push for Stronger Sales](#), *The Wall Street Journal*

[Breaking Down the NLRB's Proposed Overhaul to Joint Employment Rule](#), *QSR Magazine*

## Tweets of the Week:

[Thx 2 Indiana Senate Candidate Mike Braun 4 meeting w/ franchise owners in Indianapolis this morning on #taxreform and #jointemployer regulations. As he noted, "I've been there. I'm going to know what's important to anyone who comes from the small business world." @braun4indiana](#)

[.@LJPlave of @PlaveKoch presenting on the new FASB revenue recognition rules in Nashville #ABAfranchising18](#)

["Whether through lower taxes, fewer regulations or an increased focus on the opioid crisis, @SenMajLeader has been a champion for Kentucky businesses. I hope all Kentuckians take note." - @JBFranNet @McConnellPress](#)

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### Featured FAN: Julie and John Carros



Julie is the owner of Wag N' Wash Monument, CO who works alongside her husband John, the Director of Training at Wag N' Wash. The Carros' opened their store in March of 2018, and plan to open a second store. They have a love for pets and a strong emphasis on family — in fact John and Julie's daughter Christin is the events manager for their location. The Carros' stress importance of community and try to get involved whenever possible.

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### Franchising Facts - Did You Know?

70% of all high schools students want to start a business.

