

The Voice

of the Nebraska Grocery Industry
April/May/June 2018



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5935 South 56th Street, Suite B, Lincoln, Nebraska 68516-3301

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Nebraska Grocery Industry Association 2018 Calendar of Events

• May 15-17	FMI Future Leaders 2018, Louisville, KY	• Aug. 14-15	AWG Springfield Food Show
• June 3-7	National Grocers Executive Leadership Development Program	• Aug. 15-16	SpartanNash Fall Trade Show in Minneapolis
• June 5-6	Hy-Vee Auction/Golf, Des Moines	• Aug. 22	AWG Kansas City Food Show
• June 14	NGIA Sandbaggers Spring Golf Outing at Iron Horse	• Sept. 14-15	AWG Fall Food Show – Omaha
• Aug. 8-9	VMC Holiday Show (AWG)	• Sept. 18	Hackers & Snackers Golf Extravaganza – Quarry Oaks
		• Sept. 24	B&R Stores Golf Outing

(If you would like to have your event listed on the calendar, please contact the NGIA office)

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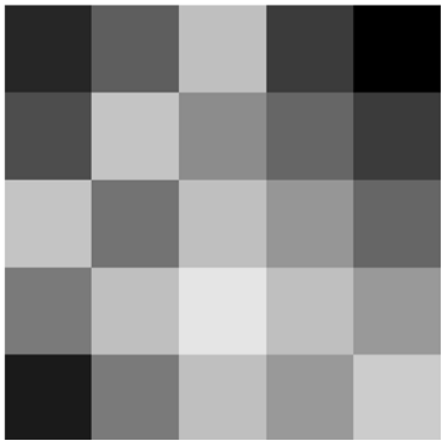
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Altria

Executive Director's Corner

By Kathy Siefken, Executive Director



The Nebraska Legislature has adjourned for 2018 and we've experienced another very successful year. We have included an article in this edition of our publication that outlines the issues and the status of those bills upon adjournment.

We won many important issues because they failed to pass. A number of bills that contained language that would have harmed our members were introduced. We believe that business owners should be allowed to decide the benefits they offer their employees. One size doesn't fit all. One of the most harmful pieces of legislation would have required paid time off for full and part time employees. While some employers, such as the State of Nebraska, can offer high-end benefits, not all businesses are able to do so and make a profit, i.e., survive.

Members of NGIA join the Food Marketing Institute and the National Grocers Association for a Day in Washington each year. This year Tim Henderson, Henderson's IGA in Washington and Peter & Carrie Clarke, Crete Foodmart, made the trip to visit with our delegates regarding issues that impact our industry. It is a worthwhile trip that allows us to provide valuable information to our representatives. The most recent value was passage of legislation that held our debit card fee protections in place. As we make our way through the streets of Washington we experience some things we don't usually see in Nebraska. One such event were protesters on the Capitol grounds. Interesting that protesters believe lining up on the sidewalk and yelling at people passing by will change the course of legislation. And then there is the security in Washington! Everywhere! I snapped a photo of a quote by Dwight D.

Eisenhower "To be true to one's own freedom, is in essence, to honor and respect the freedom of all others" because it feels so true. Needless to say – security didn't like it one bit! I won't do that again.

The NGIA Board of Directors recently elected new officers to serve the Association. Mogens Knudsen served as an exceptional Chairman of the Board for 2 years. Peter Clarke has been elected to serve as the new Chairman of the Board. DeLone Wilson was elected to serve as Vice-Chairman and Ted Stessman will serve as the Secretary-Treasurer. The officers and board of directors of NGIA provide guidance and direction to the Association regarding issues and positions NGIA takes. We thank our board of directors for the many volunteer hours they donate to assist in moving our industry forward.



Board members were also elected by the general membership. Don Emig of Republic National replaced Tom Ryks, Smart Chicken, as a representative of our Association member category. Larry Baus retired from the board after serving for 13 years. We sincerely appreciate the time, effort, and expertise both Tom and Larry provided during their years on the board!



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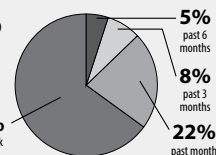
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Nebraska Food News...People – Places - Things

Tiger Town Food & Floral Center in Osmond has reopened. The community eagerly awaited the grand reopening of the business that burned to the ground last July. As owner James Bessmer's wife, Nancy, strolled around the business, she pointed out all the features the couple was able to implement for the new grocery store. There were wider aisles and double the cooler doors, including dairy department that is easily filled from the back side. There is plenty of space for large pop display and more variety of grocery items on the shelves.

SpartanNash Foundation donated \$11,250 to Habitat for Humanity of Omaha on April 2. Ten Family Fare Supermarkets and three Supermercado Nuestra Familia stores in Omaha and the No Frills in Ashland teamed up to support Habitat for Humanity of Omaha, raising \$11,250.

Main Street Market in Kimball continues giving back to local organizations with their Cash for Receipt program. The local business recently gave \$1,000 to the Kimball Recycle Center through the program.

Sun Mart of Falls City recently donated \$1,000 to second-grade students at Falls City Sacred Heart as part of its "Direct Your Dollars" campaign. Direct Your Dollars was launched in 2016 as part of Sun Mart's commitment to support the communities they serve.

Mike's Food Town in Emerson is for sale. After eight years of owning and managing the store, Ron and Dee Fendrick and Lee Vraspir have put the grocery store on the market.

Hehnke's in Paxton has remodeled. Improvements include: new lighting, flooring, display cases, and all new wiring. Mark Hehnke's, meat manager, grandparents started the store in 1920. Mark says people appreciate the convenience of a store like this, as they don't always have to travel to Ogallala or North Platte for supplies. The community of Paxton recently came together to remodel Hehnke's grocery. "We recently formed an LLC, we had meetings, we had investors come in to raise the capital to do this, and the professional people come in to design it," Mark said.

No Frills Supermarket's in Ashland donated \$1000 to Open Circle Martial Arts on April 5.





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New Tax Law: Fringe Benefit Deductions and Exclusions

Courtesy of UNICO

The new tax law makes some changes to which fringe benefits can be deducted as a business expense. Specifically, the bill amends section 274 of the Tax Code to provide that deductions are not allowed for “(1) an activity generally considered to be entertainment, amusement or recreation, (2) membership dues with respect to any club organized for business, pleasure, recreation or other social purposes, or (3) a facility or portion thereof used in connection with any of the above items.”

According to the conference report, this provision repeals the present-law exception to the deduction disallowance for entertainment, amusement, or recreation that is directly related to (or, in certain cases, associated with) the active conduct of the taxpayer’s trade or business (and the related rule applying a 50 percent limit to such deductions). This section also removes the deduction associated with an employer’s providing

ordinary commuter benefits to employees.

Prior to 2018, a taxpayer could deduct 50 percent of business meals and entertainment and 100 percent of meals provided through an in-house cafeteria or meals provided for the convenience of the employer (i.e., de minimis fringe benefit). Under the new law, effective January 1, 2018, entertainment is no longer deductible, and meals provided through an in-house cafeteria or for the convenience of the employer are subject to the 50 percent limitation. For tax years after 2025, meals provided through in-house cafeteria or for the convenience of the employer will not be deductible at all. No change was made to the rule allowing a 50 percent deduction for business meals and a 100 percent deduction for expenses incurred for recreational, social, or similar activities (including facilities, but not club dues) primarily for the benefit of employees.



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Nebraska Lottery Celebrates 25 Years of Fun

NGIA has worked closely with the Nebraska Lottery for the past 25 years to bring enhanced products and better payouts to Nebraska retailers. The Nebraska Lottery established a retail advisory board that provides direction and suggestions to the Lottery. Board members consist of retailers who sell lottery products. Nebraska Lottery uses this retail advisory board as a sounding board for innovative and new ideas – to get the opinion from retailers regarding new and better ways to promote their product so it works for both retailers and Nebraska Lottery. It has been a great relationship that has resulted in new games being introduced in a way that

enhances retail sales. It's a strong relationship that is appreciated by all – because we work together toward a common goal.

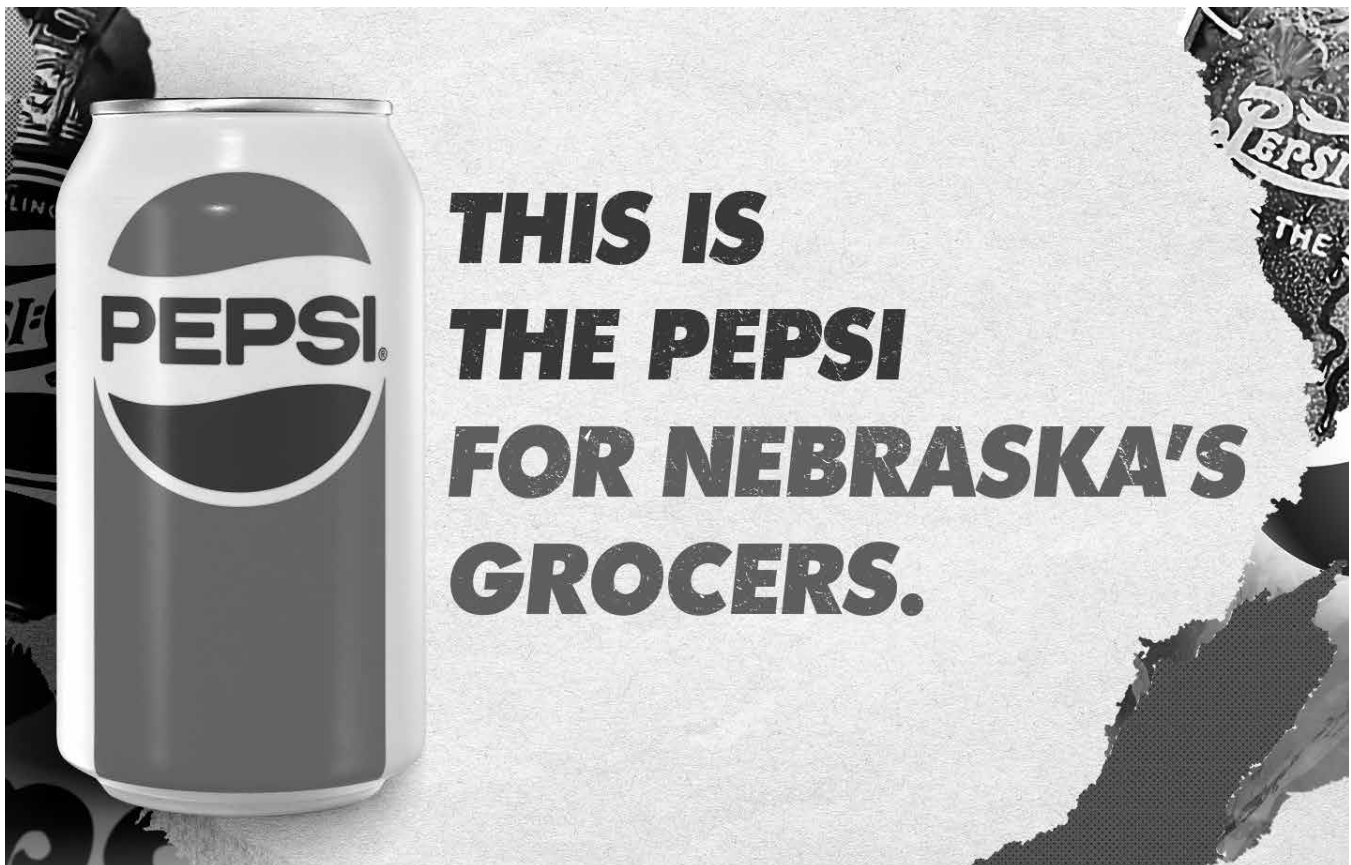
On September 11, 1993, the Nebraska Lottery began selling tickets and generating proceeds for good causes. In 2018, we're celebrating 25 Years of Fun with our players, retailers, and beneficiaries.

Two special 25th Anniversary Scratch games are now available at Nebraska Lottery retailers. The \$20 25th Anniversary Silver Multiplier game is printed on eye-catching holographic paper and offers 25 top prizes of \$25,000 plus thousands of

other cash prizes. New for spring is the \$5 Cash Splash Scratch game featuring three top prizes of \$40,000 and over 10,000 prizes of \$25. Non-winning Cash Splash tickets can be entered on the Nebraska Lottery website, nelottery.com, in the 25th Anniversary Cash Splash Second-Chance Promotion. Twenty-five contestants will be drawn this spring and summer to win a share of \$125,000, with a top prize of \$25,000.

Lottery retailers have been vital to the success of the Nebraska Lottery. Approximately 1,200 stores across the state sell our games, and Lottery retailers have received over \$160 million in sales commissions since 1993. We'll be recognizing our retailers this summer for their support over the last 25 years. Together, we are Helping to Build a Better Nebraska.

Sales of Nebraska Lottery products support the environment, education, the Nebraska State Fair and compulsive gambler's assistance. Over \$682 million in Lottery proceeds has been raised for our beneficiary funds since 1993. Visit nelottery.com for more information on how these funds are used across Nebraska.



25 WINNERS

25 YEARS • \$25,000 GRAND PRIZE

Enter non-winning \$5 Cash Splash tickets for a chance to be one of 25 semifinalists to win a share of \$125,000, with a \$25,000 grand prize. Details at nelottery.com.

Promotion ends Aug. 20, 2018.



Must be 19. Please play responsibly.
Problem Gambling Help Line:
800-522-4700.



Nebraska Grocers Travel to Nation's Capital to Advocate on Supermarket Industry Issues

Preserving SNAP and Enhancing Payment Security



Nebraska grocers Tim Henderson, owner of Henderson's IGA in Valentine, and Peter & Carrie Clarke, owners of five grocery stores in Nebraska and Iowa, along with Kathy Siefken, Executive Director of the Nebraska Grocery Industry Association made the trip to Washington to visit

with our US Senators and Congressmen on issues that are important to the food industry. Appointments were scheduled with each member.

Top policy priorities on the agenda included discussion for the preservation of a strong Supplemental Nutrition Assistance Program (SNAP) public-private partnership, opposing any new fees, reporting mandates or other costly administrative burdens on retailers. We also discussed our interest in working towards a robust payments ecosystem that enhances payment card security and transparency. This includes an open standards-setting system that would support secure dual routing for credit and stronger authentication methods at checkout.

"Lawmakers need to hear our voices and see our faces, whether it is in DC or at their offices in Nebraska"

Peter Clarke stated that the trip was a great experience. "Spending time visiting with Nebraska elected officials in Washington was very worth-while. I would urge anyone that has not visited our delegates in Washington to put it on your bucket list." Clarke added that "Grocers must continue to take part in policy making for our industry now more than ever. Lawmakers need to hear our voices and see our faces, whether it is in DC or at their offices in Nebraska." Tim Henderson commented "It is important for us to maintain a dialogue with our representatives, so they understand how legislation affects our industry."

FMI President and CEO Leslie G. Sarasinsaid, "Food retailers take great pride in selling safe, quality and affordable food to the diverse neighborhoods they serve across the country. This mission remains consistent; it's the socioeconomic forces that are changing. Our industry is transforming, and our members' participation in the policymaking process has arguably never been more important. Congress needs to hear first-hand examples from the food retail industry, as a direct witness to the behavioral, social and economic changes affecting the ways consumers shop for food – namely how the influences of technology, privacy and the shifts in consumer values affect their businesses. We're all experts when it comes to buying groceries for ourselves and our families, but it's important that Members of Congress understand how proposed administrative changes affect grocers' narrow margins and their ability to help communities thrive."

"It is important for us to maintain a dialogue with our representatives, so they understand how legislation affects our industry"



"As the debate on food and nutrition policies continue to unfold in our nation's capital, it's critical that supermarket operators engage in the political process, and as an industry, we speak with one collective voice to inform and educate Members of Congress and their staff about the impact such policies have on day-to-day

operations," said Peter Larkin, president and CEO of NGA. "The supermarket industry plays a significant role in the nation's economic footprint, but more importantly, on the local level as job creators and backbones of the communities. We are grateful for the grocery operators who took the time to leave their stores and come to Washington, DC to share their stories with policymakers on Capitol Hill."

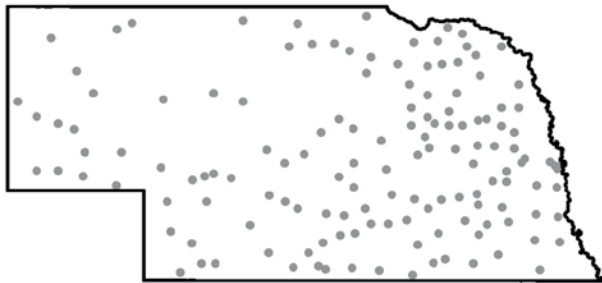
Nebraska Grocers Visit Nebraska Delegates in Washington

Grocers made their annual trek to Washington DC to visit with our United States Senators and Congressmen. We were able to visit with each of our delegates about issues that impact the Grocery Industry. We appreciate the warm welcome we received from each of our delegates.



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Courtesy of UNICO

Employers that offer group health coverage at work can also sponsor a cafeteria plan. Cafeteria plans provide significant tax advantages by allowing employees to pay for health coverage, flexible spending accounts, and other options from their pay before taxes are deducted. By making pretax contributions, the employee saves money from reduced income taxes and both the employee and employer save from lower payroll taxes. In exchange for the tax advantages, however, cafeteria plans must comply with requirements under section 125 of the Internal Revenue Code, including nondiscrimination testing to ensure the plan does not disproportionately favor highly-compensated employees.

Small and midsize employers qualify for a special type of cafeteria plan that eliminates the need for nondiscrimination testing. It's simple — in fact it is called a Simple Cafeteria Plan. Several years ago, Congress created a simpler plan for smaller employers that meet conditions for eligibility, participation, and employer contributions. As long as those requirements are met, the Simple Cafeteria Plan is automatically deemed nondiscriminatory under section 125.

Eligibility

Only smaller employers are eligible to sponsor a Simple Cafeteria Plan. That means the employer has had an average of 100 or fewer employees during either of the two preceding years. If the employer was not in business throughout the preceding year, the employer is eligible if it reasonably expects to employ an average of 100 or fewer employees in the current year.

Also, if a Simple Cafeteria Plan is established in a year in which an average of 100 or fewer employees are employed, the employer remains eligible for subsequent years, as long as it does not employ an average of 200 or more employees.

Participation

The Simple Cafeteria Plan generally must be offered to all employees who had at least 1,000 hours of service in the preceding plan year. The employer may, however, design its plan to exclude employees who:

- Are under age 21 before the close of the plan year
- Have less than one year of service as of any day during the plan year
- Are covered under a collective bargaining agreement
- Are nonresident aliens working outside the United States whose income did not come from a U.S. source.
- Employees who are eligible to participate may elect any of the benefits available under the plan.

Contributions

The last requirement for a Simple Cafeteria Plan is the employer contribution. Specifically, the employer must provide qualified benefits on behalf of each eligible employee in an amount equal to:

A uniform percentage (not less than 2 percent) of the employee's compensation for the plan year; or

An amount which is at least 6 percent of the employee's compensation for the plan year or twice the amount of the salary reduction contributions of each qualified employee, whichever is less.

If the contribution requirement is met using option two, the rate of contribution to any salary reduction contribution of a highly-compensated or key employee cannot be greater than the rate of contribution to any other employee.

Summary

The section 125 rules that require nondiscrimination testing for a traditional cafeteria plan can be challenging for some employers. In particular, smaller employers often complain that the tests may limit the ability of their highly-compensated employees to benefit from dependent care spending accounts.

For small and midsize employers, a Simple Cafeteria Plan may be a viable alternative. By meeting specific criteria for eligibility, participation, and employer contributions, the plan automatically qualifies as nondiscriminatory without the need for complex testing.

Convenience Stores Anticipate Strong Summer Travel Sales

Courtesy of NACS

Convenience store operators are gearing up for the summer travel season, saying that they are optimistic that sales will heat up this summer, led by a continuing growth of food, beverage and healthier snacking options at their stores, according to the results of a survey of convenience store owners conducted by NACS, the trade association that represents the convenience retailing industry.

More than three in four (77%) convenience retailers expect in-store sales to increase this summer compared to last year, and nearly half (46%) expect their fuel sales to increase compared to last summer. Meanwhile, only 2% of retailers expect in-store sales to decline and only 9% expect to see a decline in fuel sales this summer. Convenience stores sell nearly 80% of the fuel purchased in the United States.

The convenience factor rates high among retailers who say they expect sales to grow this summer: 73% cited their convenient location and 64% cited one-stop shopping for food, fuel and restrooms as a reason they expect to grow sales.

At Otter Creek Country Stores (Hiawatha, Iowa), Don Burd said he expects strong summer sales because his store has "the best food, cleanest stores

and most courteous staff in the area."

Retailers say that fresh food and healthy options will be central to growing sales during the summer months: 56% said sandwiches and meals will drive sales growth and 35% cited healthy packaged snacks. Fresh foods will drive summer sales at the Eaton Marathon in Graton, Ohio, operated by Armbruster Energy, while hot foods are expected to lead sales at Wood's Food Center in Venice, Florida.

Beverages also will be an important part of the mix in growing sales: 61% expect to see energy drink sales increase, 49% expect an increase in bottled water sales and 48% expect an increase in beer sales.

Earlier this month, NACS announced that convenience store sales increased 9.3% in 2017 to \$601.1 billion.

Retailers also are optimistic on a broader economic level. Approximately three in four retailers are optimistic about the economy (74%) and the convenience store industry (77%). Retailers are even more positive about their own business: 83% say they are optimistic about their own business prospects over the second quarter of 2018, a strong 10-point increase from a year ago.



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Paying Employees for Travel Time

Do you have to compensate employees for the time they spend traveling from their work every day?

Here's what the U.S. Department of Labor says (<https://www.dol.gov/whd/regs/compliance/whdfs22.htm>)

Home to work travel: An employee who travels from home before the regular workday and returns to his/her home at the end of the workday is engaged in ordinary home to work travel, which is not work time.

Home to work on a special one-day assignment in another city: An employee who regularly works at a fixed location in one city is given a special one-day assignment in another city and returns home the same day. The time spent in traveling to and returning from the other city is work time, except that the employer may deduct/not count that time the employee would normally spend commuting to the regular work site.

Travel that is all in a day's work: Time spent by an employee in travel as part of their principal activity, such as travel from job site to job site during the workday, is work time and must be counted as hours worked.

Travel away from home community: Travel that keeps an employee away from home overnight is travel away from home. Travel away from home is clearly work time when it cuts across the employee's workday. The time is not only hours worked on regular working days during normal working hours but also during corresponding hours on nonworking days. As an enforcement policy the Division will not consider as work time that time spent in travel away from home outside of regular working hours as a passenger on an airplane, train, boat, bus, or automobile.



Signed. SEALED. DELIVERED.

Employment Law Questions

Courtesy of Chris Hoyme - Jackson Lewis & South Dakota Retailers Association

Question: When I receive job applications, am I obligated to interview everyone who applies for the position?

Answer: No. But before you get to that point, it is important to have an accurate job description. That will serve as your roadmap when advertising the job, when deciding who to interview, and when asking questions during the job interview.

You should review and update job descriptions at least annually. Make sure the job description is accurate, that it sets forth the essential duties of the job and the responsibilities of the job, that it accurately lists the physical requirements, and addresses the work environment.

Once you have the job description in place, advertise the position accordingly. When you review the applications, make sure you prescreen them in a consistent, uniform manner. That allows you to determine which applicants have the experience and qualifications that match the job requirements.

You can then interview those applicants who have the qualifications called for in the job description.

Question: Are there questions I should avoid in job interviews?

Answer: Federal laws prohibit job discrimination in a variety of areas, including race, color, sex, national origin, religion, age, equal pay, workers' compensation, disability or genetic information. Do not ask questions about those protected areas. For Example, don't ask:

- What church, synagogue or mosque the applicant attends, or even if they attend church
- If they have children, how many children they have, if they're pregnant, if they plan to have children, how they'll handle child care arrangements if they got the job
- Whether they're married, have ever been married, or plan to get married, or what their maiden name is
- How old they are, what year they were born, what year they graduated from high school
- If they've ever filed a workers' compensation claim

- Whether they have any kind of disability
- What kinds of medications they take, if they have any medical conditions, if they've ever had health problems
- What nationality they are, "your last name is _____, what kind of name is that?"

Many times, employers ask those types of questions when they're trying to be humorous or to make an applicant feel more at ease. Regardless of the intent, if you ask a question about one of these areas and don't hire the applicant, it could provide evidence if the applicant pursues a discrimination claim.

Question: Other than not asking potentially discriminatory questions, what basics should I keep in mind when interviewing job applicants?

Answer: Write down in advance the questions you plan to ask, and stick with the script. During the interview itself, describe the job expectations realistically. Don't make promises you may not be able to keep, such as, "as long as you do a good job, you'll get raises every year." Treat everyone the same and ask the same questions. Take notes during the interview, but make sure they deal only with legally protected criteria that pertain to the job and the candidate's ability to perform the job. Don't make notes dealing with any of the protected areas (such as race, color, sex, national origin, religion, age, equal pay, workers' compensation, disability or genetic information) even if the applicant discloses that information.

If you decide not to hire someone, document why in your notes. Be specific, but make sure it is a legitimate reason and that is not discriminatory. Here are three examples of generally legitimate reasons:

- The applicant can't work the scheduled hours
- They don't have sufficient qualifications or experience in (a specific area) that is required by the job
- They don't have sufficient education in (a specific area) that is required by the job

The bottom line is: if you hire based on job qualifications and document the legally protected reasons why you did not hire that person, you will reduce your risk substantially.



Things You Need to Know

Final Paycheck After Theft

Question: We had an employee walk off the job after admitting that she was stealing money and property from the workplace. She has not returned to pick up her last paycheck. What is our obligation regarding her last paycheck?

Answer: Regardless of the theft, you cannot withhold pay from a current or terminated employee. You are required to mail the final pay to the employee's last known address. If the check is not processed or is returned, then mail the unclaimed wages along with an explanation to John Albin, Commissioner, Department of Labor, 550 South 16th Street, Box 94600, Lincoln, NE 68508. Importantly, document in detail all your actions and efforts along with the employee's reactions or lack thereof.

If you have not already done so, a best practice would be to provide notice to the employee documenting the reason for termination (the admission of the act of theft from the workplace and that the employee has voluntarily terminated employment as a result of the theft). However, you should also inform the employee that the company must ensure final pay is provided and that the recovery of any money or property stolen will be pursued through the proper legal channels.

Of note, employers are not required by federal law to give former employees their final paycheck immediately. Some states, however, may require immediate payment. If the regular payday for the last pay period your employee worked has passed and the employee still has not been paid or has not collected wages, then you may also contact John Albin, Commissioner, Department of Labor, 550 South 16th Street, Box 94600, Lincoln, NE 68508-4600 or call (402) 471-9000; Fax: (402) 471-2318

Medicare

Question: Our company's group medical plan has a 12-month time limit for filing claims. We received a notice from Medicare and it looks like they want to file claims with our plan that are three years old. Is that allowed?

Answer: Medicare does not submit claims to group medical plans, but they do make demands for reimbursement to correct errors. This usually happens in dual coverage situations, which means that the individual is covered under both the employer's group plan and Medicare. Federal

law then determines which plan must pay first. Generally, the employer's plan pays first on claims by active employees (and spouses) if the employer's total workforce size is 100 employees or more. On the other hand, Medicare is the primary payer if the employer has fewer than 20 employees or, regardless of the employer's size, if the claim is for a retiree or retiree's spouse. (Further rules apply to employers with 20 – 99 workers, and to special cases involving people with end-stage renal disease.)

To identify potential dual coverage situations, insurers and administrators report group plan enrollment information to the Centers for Medicare and Medicaid Services (CMS). Not all cases are identified in advance, though, and occasionally Medicare pays claims that should have been paid by the group plan. CMS then contacts the employer or insurer to collect information on specific claimants and find possible Medicare overpayments.

CMS usually is looking for information on persons for whom Medicare has already paid claims, which may have been several years ago. Receiving an inquiry now regarding claims paid three years ago is not unusual.



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FDA Targets Youth Tobacco Sale Violations

Courtesy of NACS

The U.S. Food and Drug Administration (FDA) recently cited 40 retailers for violations related to youth sales of JUUL e-cigarettes. The agency also announced a new blitz of retail establishments targeting youth sale violations, part of new action the FDA is taking to examine the youth appeal of e-cigarettes. The agency also is taking steps to foreclose online sales of these products to minors.

These first steps in a new effort aimed at stopping youth use of e-cigarettes are part of the agency's comprehensive plan announced in July. "The FDA has been conducting a large-scale, undercover nationwide blitz to crack down on the sale of e-cigarettes – specifically JUUL products – to minors at both brick-and-mortar and online retailers. The blitz, which started April 6 and continued through the end of April, revealed numerous violations of the law," said FDA Commissioner Scott Gottlieb in a statement.

"We'll hold retailers accountable for continued violations. Let me be clear to retailers. This blitz, and resulting actions, should serve as notice that we will not tolerate the sale of any tobacco products to youth," he said. "It's clear there's need for strong federal enforcement of these important youth access restrictions and we'll continue to hold retailers accountable by vigorously enforcing the law with the help of our state partners. Today's action should serve to put retailers on notice to stop selling products to minors."

Gottlieb reinforced the agency's commitment to stopping youth tobacco use. "Make no mistake.

We see the possibility for ENDS products like e-cigarettes and other novel forms of nicotine-delivery to provide a potentially less harmful alternative for currently addicted individual adult smokers who still want to get access to satisfying levels of nicotine without many of the harmful effects that come with the combustion of tobacco. But we've got to step in to protect our kids.

"As the FDA considers regulating nicotine levels in cigarettes to render combustible cigarettes minimally or non-addictive, products such as e-cigarettes may offer a potentially lower risk alternative for individual adult smokers. These ENDS products will still need to be put through an appropriate series of regulatory gates by the FDA. But the viability of these products is severely undermined if those products entice youth to start using tobacco and nicotine."

The We Card Program's online training program (which can be found at <https://wecard.learningcart.com>) includes attempted e-cigarette and vaping product purchase scenarios in its award-winning interactive training module – equipping sales associates with the practice at not only "carding" and examining IDs, but calculating customer ages based upon an ID's date-of-birth using a variety of age calculation tools, including the We Card Calendar. We Card's training covers FDA regulations and federal law as well as state-specific laws where minimum-age laws may be 18, 19 or 21 years old. NACS is a founding member of the We Card Program, and Lyle Beckwith of NACS serves as its Chairman of the Board of Directors.



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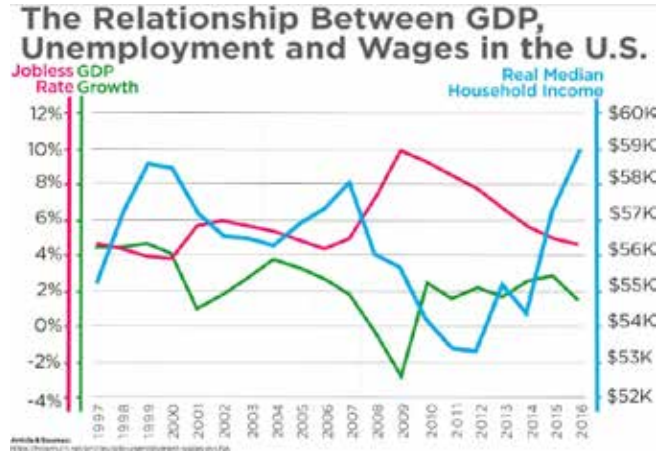
*SOURCE: MSA Data - Latest 52 Weeks Ending 01-20-2018; Top Ten Brand Families

Effects Of GDP and Jobless Rate On Wages

Courtesy Nebraska State Chamber of Commerce

The U.S. has not seen GDP growth over 4% since the year 2000. However, over the past year, the economy has picked up considerably. What does that mean for America's household income and jobless rate? HowMuch.net created the graph above by incorporating 20 years' worth of data related to GDP, unemployment and median income (adjusted for inflation). The graph shows that wages are inversely correlated with employment, and that 2016 was the best year for U.S. median incomes, rising 3.2% over the previous year to \$59,039. According to the website's authors, "Things have generally been going well for American workers with GDP growth of 2-3% every year. Doubling that output to 5%, or even 6% as President Trump would like to see, would mean colossal and sustained gains in real wages for workers ... (worth) thousands and thousands of dollars in extra base pay.

As long as inflation stays under control, additional increases in GDP would only benefit American workers even more."



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