



Member's

Corner

This year good; next year's already being planned

by Steve Grossman, CPMR
Former IHRA President / Chair

Well, I survived the new timing of the Housewares Show and I hope you did too. It seemed to be well attended, as in years past, and I have not heard loud cries of disaster from either sides of the aisle. ***IHA is already planning for next year's show, so if you have thoughts or ideas on how to improve it please send them to me and I can pass them on.*** I truly mean this.

Unfortunately, nothing on the Show floor really stood out to me except the cookware percussion band at Bradshaw's booth. I saw very few innovations and saw no major color trend. Maybe we are in a mellow stage that does not do much for excitement. But, a few things that did excite me were:

- Your IHRA had a Hospitality Suite that was used by many of you for a meeting, a place to collect your thoughts, to gain information from the service vendors who were there and the Sunday morning meeting on legal developments for us representatives.

- Another meeting that went on in our rep room was for the manufacturers. It was hosted by our foundation, MRERF, and us to give manufacturers a better insight into what we do and the value we bring to the selling process; what is expected, and how to best utilize us. The attending manufacturers were most appreciative.

Tying in to this presentation I wish to tell you about another experience I had talking to manufacturers regarding the value

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Important information!!

MSA*, HRA*, HSA*, FSA* —

Who are these guys?

By Pat Brown — IHRA Employee Benefits / Insurance Consultant

On Dec. 8, 2003, President Bush signed into law the widely announced Medicare RX expansion bill. Also included in the Medicare Rx expansion bill was a section that created the new HSA concept. This new HSA plan greatly expanded the old MSA concept, which began in 1997. MSA type policies and "side-funds" are no longer available after 12/31/03 and may be converted into the new HSA style plan.

*MSAs (**M**edical **S**avings **A**ccounts-1997) and *HRAs (**H**ealth **R**eimbursement **A**rrangements-2003) are older devices to help people to save for medical expenses in a tax advantaged environment. The new

*HSAs (**H**ealth **S**avings **A**ccount-2004) expand the provisions of the older MSAs and expand the availability, as well. HSAs and HRAs do not require the "use it or lose it" provisions.

*FSAs (**F**lexible **S**pending **A**ccounts) are typically accumulation accounts that are funded by an employee's Salary Reduction program for the purpose of setting aside employee's dollars in a pre-tax system to be spent on anticipated eligible expense such as dental care, medical insurance deductibles, eye-wear or other non-insured items. They are sometimes called "Cafeteria Plans" and have the major drawback of requiring the "use it or lose it" provision. This means that if the money is not spent within the calendar year it cannot roll-over to the next year and reverts to the employer.

It is important that we do not confuse the HSA, MSA, & HRA with the FSA or "Cafeteria plans." FSA/Cafeteria Plans are allowed under section 128 of the IRS code "Salary Reduction" systems, whereby you and your employer agree to **reduce your annual salary** by a fixed amount and accumulate these funds to pay for the eligible and anticipated expenses. The employer holds and/or controls the funds and pays the bills for non-insured items, as they occur. FSA/Cafeteria Plans are not HSAs, MSAs or HRAs. Under certain specified situations FSA/Cafeteria Plans can co-exist with HSAs and HRAs.

How does the HSA work??

HSA is a 2-part system involving purchasing a government specified "high deductible" medical insurance policy and setting up a separate "side-fund" that is accumulated to pay for the eligible expenses beneath the annual "high deductible" of the medical policy. A person must be covered by a qualified "high deductible" medical insurance policy before the "side-fund" (HSA) can be established. The HSA is an expanded and improved MSA.

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Steve Grossman (from page 1)

of using reps and how to get the most out of us. I was invited to talk for an hour to a small group of owners of firms who use reps to go to market. I assembled a number of handouts and a brief outline as a guideline of talking points.

What I learned from both of these programs is: most manufacturers do not understand our value, do not understand what we do, and do not know how to ask us to do what they need/want done. They view us as necessary but most never maximize the potential of working together.

If you think you represent some of these people, I have two suggestions for you:

One is take the time when you travel with this principal and ask if they really know what you do and the value you bring to the selling circle. Take the time to explain how you can do a more effective job if you had more support and better selling tools from them. Allow

he/she to ask questions so you end up in a win/win situation. Remember we need each other.

Two — MRERF has a wonderful two-day program: **MANAGING YOUR MANUFACTURERS' REPRESENTATIVE NETWORK - Working Effectively with the Professional Field Sales Force, A Seminar for Manufacturer Sales Executives** - which is held twice a year in Chicago. The sales managers who have taken this course have found it most beneficial.

If you have a person or company that could benefit from this, contact Bill Weiner or myself with the address and we will send you information.

Lastly, the other item I saw at the show was how reps from different territories are networking together to help each other by either account penetration or needed product lines to sell. As long as we all make money we win. Here is to having the best year you can. Steve Grossman CPMR. Steman4@aol.com

Important information (from page 1)

HSA is actually the name of the "side-fund" account and must be coupled with a specific type of "high deductible" medical insurance policy. While the qualified medical policy may "stand alone" without a "side-fund", the "side-fund" may not stand alone without a qualified "high deductible" medical insurance policy. You cannot simply set up an HSA as a "side fund" to support the standard PPO Plan with a \$1000 annual deductible, an RX card and a \$25 office visit co-pay. There are other, new requirements for the companion HSA medical insurance policy, as well.

Formerly, under the old MSA rules the annual deductible was required to be at least \$1850 for an individual and \$3700 for a family. Under the new HSA rules, the annual deductible can be as low as \$1000 for an individual and \$2000 for a family. Under the old MSA rules a person could only set-up a "side-fund" and deposit no more than 65% of the annual individual deductible or 75% of the annual family deductible, per calendar year. Under the new HSA rules, you can set-up a "side-fund"

account and deposit up to 100% of the annual deductible, single or family AND people over age 55 may deposit an additional \$500/year, as well. All deposits are tax advantaged.

Once the qualified "high deductible" medical insurance policy is purchased by either an employer through group insurance or as an individual with an individual qualified medical insurance policy, you and/or your employer can contribute to the "side fund" with tax advantaged dollars. This means that any contribution made by your employer is not taxed as it passes into the HSA "side fund" and no payroll tax withholding is applied to these dollars. Similarly, an individual may put dollars into the HSA and take a tax deduction on your annual tax return "above the line" as a true income reduction not "below the line" as an itemized deduction. The individual tax deduction can be applied only to "after tax" dollars put into the "side-fund". This means that payroll taxes and tax withholding have been applied. No double tax deduction or double tax reduction may be used.

Both the employer and the employee can put tax advantaged money into an HSA account. The annual combination of these total contributions, from both employer and employee, may not exceed the policy's annual deductible, UNLESS you are between 55 and 65. People between 55 and 65 may contribute an additional \$500/year, over and above the annual deductible.

HSAs are available as individual medical insurance policies (non-group) or as a group medical policy for Firms with 2 or more, full-time, payroll employees. HSAs are available in most States, however in some States (MD, KY, MA, VT, NJ, NY, and WA) with mandated "community rating" and "guaranteed issue" for groups and/or individuals, HSAs may not be available or economically priced.

Pat Brown participates in
IHRA's Expert Access Program.

You can contact him at:
(800) 854-4636

IHRA Board meets; elects new officers and directors

The 2004 International Home & Housewares Show was a very busy time for your association. The Annual Board of Directors Meeting prior to the Show; the Annual Membership Breakfast & Program and a special program for manufacturers, our Lines Available Program, manufacturer/IHRA member interview sessions and hosting hundreds of visitors in the IHRA Hospitality Suite (this year, twice the size, thanks to IHA!) during the Show. All combined to make the 2004 event the best ever.

Here are some of the actions taken by the Board at the March 17, 2004 meeting:

Outgoing Chairman **Donna Peake** spoke about the opportunity of serving on the Board for the last 8 years; the value and experience gained. She complimented **Bill Weiner** for his (and staff's) efforts in increasing membership and taking the strain off the IHRA budget. She also complimented **Steve Grossman** for his continuing commitment to the association.

President **Jim Adams** association overview included "a job well done" for Chairman Peake and the accomplishments of the association because of her efforts. Adams indicated there were still jobs to be done: the review and update of the bylaws, a sample representative/manufacturer contract, investigate the possibility of a stand-alone conference or co-locating with another rep association's conference and a hotel room block for the 2005 Home & Housewares Show. Adams also suggested the Executive Committee continue their monthly teleconferences and

Steve Grossman reported MRERF had cut back on CPMR classes to one each year. It will only be offered at Arizona State University (Tempe) in January. With the Housewares Show moving to March, IHRA members will have a better opportunity to participate in the program.

President-Elect **Jim Ayotte** presented his vision and goals for 2004:

1. Continue to grow membership
2. Increase public relations efforts.
3. Stand-alone seminar or conference
4. Increased events and exposure at the Show
5. Improve Lines Available / HOT Lines by insisting all information be given by advertising manufacturer.
6. Continue visibility at Gourmet Show through the printing and distribution of the IHRA Locator

Senior VP/Industry & Membership **David Silberstein's** report included the current status: 232 active rep member firms. 24 of these member firms are scheduled to renew after the Show. Special effort must be made to get them to renew.

Activities at the 2004 Show will include the Annual Breakfast & Program on the second morning of the Show and a MRERF / IHRA seminar for manufacturers in the

afternoon. 60 members' personnel have registered for the Breakfast & Program; 30 manufacturers for the Seminar.

Grossman reported on the Industry Advisory Committee, which includes personnel from Sears, Ace, K-Mart, WalMart, Target, Walgreens Kohls and Shopco. The committee discussed ways to make the Show even more important. Possibly expanding the Show, longer hours, transportation, etc.

Weiner reported that public relations have received a boost from articles/interviews in Gourmet News and Kitchenware News. Future news releases will include election of officers and programming plans.

Senior VP/Fiscal **Kent Kulovitz** reviewed the 2003 final figures and 2004 year-to-date. Finances look strong and under control.

National Office Operations as reported by Executive Director and Staff:

Lines Available/HOT Lines are ahead of projection and last year. Almost 2000 manufacturers receive The **RE**porter® and realize IHRA is their resource for finding reps. Also, many are referred by IHA and their "Housewares.org" website.

The Locator/Directory was brought in under budget. \$1900 instead of \$2500; 600+ copies instead of the 500 ordered. Excellent comments about its appearance and content. **The RE**porter® newsletter is published every month and has received high ratings from members and manufacturers. Hats off to Steve Grossman for his articles.

Staff has moved its office to Suite 3807 in the same building. After three years of excellent service, Stephanie Baron will be leaving IHRA's management company the end of March. Best wishes on her new career.

The slate presented by the Nominating Committee was approved unanimously. Officers and Directors are:

Chairman - Jim Adams

President - Jim Ayotte

President-Elect - David Silberstein

Senior Vice Presidents:

Legal & Education - Kent Kulovitz

Fiscal - Mark Glotter

Industry & Membership - David Friedman

Directors: Burt Karlin and Richard Spitaletta

Start / End of Terms of Office. It was agreed that terms of office be on a calendar year basis (as per by-laws). But, because the Annual Board of Directors meeting will now be held in March (corresponding to Housewares Show), officers and directors will be elected via electronic communications (phone, fax, email) at least 30 days before the end of the year. Because of

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IHRA Board Meeting (from page 3)

this change, and the fact that newly elected officers and directors might only serve 9 months, it was agreed the newly elected officers' and directors' first year will end December 31, 2005 (one year, nine months. Thereafter, terms will be no more than one year.

Other issues agreed on: Information supplied by manufacturers for Lines Available must include all requested information. Staff was instructed to enforce this policy.

Steve Grossman volunteered to gather information re: overseas trade missions and tours.

It was suggested, because of the Hardware Show split, an opportunity might exist for IHRA to become involved in their rep activities. More than 55% of IHRA members sell hardware products. Staff to follow.

To help in member information exchanges, staff was requested to find out costs of a website bulletin board.

Staff was instructed to secure Officers' and Directors' Liability Insurance. Weiner advised cost for a previous client organization was \$1600. Staff will follow and advise.

Time & Place Of Next Meeting - The Annual Meeting. Proposed: Thursday, March 17, 2005 — Hampton Inn & Suites, Chicago. Approval was delayed pending the next Executive Committee Teleconference, April 12, 2004. ExCom is to explore the possibility of starting the Board Meeting later than the normal 1:00 PM time. Suggestions were made to start at 3:00 PM to allow West Coast officers and directors the ability to fly in on the same day as the meeting. It was further suggested that the meeting could include dinner, each officer and director paying their share.

Meeting was adjourned at 6:10 PM

Wanted / Needed: Volunteers to serve on IHRA Task Forces

The recent Board of Directors Meeting created two very important projects: 1) development of a guidelines for a recommended contract between a representative and a manufacturer; and, 2) a review of IHRA's bylaws.

If you would like to work with Senior Vice President/ Legal & Education, **Kent Kulovitz** on either of these projects, please let us know. (Tel: 800-315-7430; Fax: 312-240-1005; eMail: bweiner@ihra.org).

We hope to get started on both by May 1st.

IHRA Officers to serve through December 31, 2005; directors have staggered terms

Chairman - **Jim Adams**

President - **Jim Ayotte**

President-Elect - **David Silberstein**

Senior Vice Presidents:

Legal & Education - **Kent Kulovitz**

Fiscal - **Mark Glotter**

Industry & Membership - **David Friedman**

Delegate to MRERF/AMRA - **Steve Grossman**

Directors - end of terms - Dec. 31- in ()

Jeanmarie Bettencourt (2005)

Burt Karlin (2006)

Mark Levy (2004)

Richard Spitaletta (2006)

Coming in May **RE**porter®

- **The Added Value of a Rep Council**
- **A summary of Gerry Newman's program at IHRA's Annual Breakfast & Program**
- **And much, much, more!**

Not on newsstands. Available from IHRA, only!

Watch for it.

**On Wednesday, April 7,
IHRA's phone number
changes to:**

312-240-0774

**Our toll-free number
remains:**

800-315-7430

2004 INDUSTRY CALENDAR OF EVENTS**April**

New York Spring Tabletop Market at 225
April 17 - April 22, 2004
New York, NY

New York Spring Tabletop Market at 41 Madison
April 17 - April 22, 2004
New York, NY

AHMA Hardware Show
April 18 - April 20, 2004
Chicago, IL

Hong Kong Gift & Housewares Show
April 21 - April 24, 2004
Hong Kong

SCAA Conference & Exhibition
April 23 - April 26, 2004
Atlanta, GA

May

Spring NASFT Fancy Food Show & FMI Show
May 02 - May 04, 2004
Chicago, IL

Gourmet Products Show
May 09 - May 11, 2004
San Francisco, CA

National Hardware Show
May 10 - May 12, 2004
Las Vegas, NV

SOURCES
May 15 - May 18, 2004
New York, NY

National Stationery Show
May 16 - May 19, 2004
New York, NY

NRA Restaurant, Hotel-Motel Show
May 22 - May 25, 2004
Chicago, IL

June

Portland Gift & Accessories Show
June 05 - June 08, 2004
Portland, OR

IDDBA Dairy-Deli-Bake
June 06 - June 08, 2004
Washington, DC

All Candy Expo
June 08 - June 10, 2004
Chicago, IL

Coffee Fest Las Vegas
June 12 - June 14, 2004
Las Vegas, NV

Dallas International Gift & Home Accessories Market
June 23 - June 30, 2004
Dallas, TX

NASFT Summer Fancy Food Show
June 27 - June 29, 2004
New York, NY

July

Atlanta International Gift & Home Furnishings Market
July 06 - July 15, 2004
Atlanta, GA

The Gift Fair in Atlanta
July 09 - July 12, 2004
Atlanta, GA

California Gift Show
July 17 - July 20, 2004
Los Angeles, CA

San Francisco International Gift Fair
July 24 - July 28, 2004
San Francisco, CA

Washington Gift Show
July 25 - July 28, 2004
Chantilly, VA

August

Orlando Gift Show
August 07 - August 10, 2004
Orlando, FL

CGTA Canadian Gift & Tableware Show
August 08 - August 12, 2004
Toronto, Canada

New York Gift Show at 225
August 11 - August 19, 2004
New York, NY

New York International Gift Fair
August 14 - August 19, 2004
New York, NY

New York Gift Show at 41 Madison
August 15 - August 19, 2004
New York, NY

The Seattle Gift Show
August 21 - August 25, 2004
Seattle, WA

Tendence Lifestyle 2004
August 27 - August 31, 2004
Frankfurt, Germany

September

IN'NOVA, Innovative Solutions for Table & Living
September 02 - September 05, 2004
Lisbon, Portugal

Atlanta Fall Gourmet Show & Fall Gift & Accessories
Market
September 11 - September 14, 2004
Atlanta, GA

Boston Gift Show
September 11 - September 14, 2004
Boston, MA

Dallas International Gift & Home Accessories Market
September 11 - September 14, 2004
Dallas, TX

Manufacturers Seeking IHRA Field Sales Professionals

Products: Small Kitchen Appliances: Breadmakers, Toasters, Electric Griddles, Toaster Ovens, Blenders, Juicers, Coffee Makers, etc.

Products: Thermo Electric Automotive & Housewares

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This is an IHRA service to keep members advised of lines available. The listing of a manufacturer should in no way be construed as an endorsement of that line by IHRA, it being the obligation of each member to make their own evaluation of the line.

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A directory of field sales professionals
by territories covered, type of products
handled, type of customers sold to/through
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on *your line, only*, to reps in
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www.ihra.org**

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opinion of the officers or members of IHRA.

**2003 / 2004 IHRA Officers, Directors & Staff
Officers**

Chairman: Jim Adams
President: James Ayotte
President-Elect: David Silberstein

Senior Vice Presidents

Industry & Membership: David Friedman
Legal & Education: Kent Kulovitz
Fiscal: Mark Glotter
Delegate to MRERF & AMRA: Steve Grossman, CPMR
Executive Director: William M. Weiner

Directors

Jeanmarie Bettencourt
Burt Karlin
Bob Kroll
Mark Levy
Richard Spitaletta

Past Chairs

John M. Clampitt
Steve Grossman, CPMR
Jay L. Cohen
Tom Rooney
Peter Bang-Knudsen
Donna Peake

Staff

Administrative Assistant: Stephanie Baron
Financial Director: Myra Weiner

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