



# Executive Director Report

By Jon Meijer



## The One Thing I learned From the Covid-19 Pandemic

It's safe to say that we all learned quite a bit from the Covid-19 Pandemic. I still remember two years ago in March of 2020, having to cancel the upcoming Education Seminar scheduled for that month and the upcoming summer MWDLI Convention. The writing was on the wall and in a matter of weeks, the World was beginning to shut down, schools were closing and people were

no longer going into work. Our homes became the new office.

As part of the staff of the Drycleaning and Laundry Institute (DLI), we too had to figure out the new landscape and trying to figure out our next move. One of the key questions we asked ourselves is how are we going to communicate with our members. Let's face it, in person social gatherings, educational seminars, networking functions and convention were no longer an option. However, playing the waiting game was not an option. DLI started out by setting up conference calls with members from all over the country. In fact, these conference calls took place several times a week to keep members updated from PPP loans to worker & customer protection and so on. This of course turned into regular Zooms calls which have continued to this day.

So, what did I learn? Simply put, after 40 years in the industry, I had wrongly assumed that I knew way more than I really did.

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April / May 2022

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The MWDLI Advisory Counsel will help DLI steer, direct, and promote member activities

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## Executive Director

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DLI's weekly Zoom calls with members have not only opened my eyes to new processes, equipment and ways of doing things more efficiently, but to the fact that members are willing to share their day-to-day challenges, opportunities, new ideas, etc. without concern to competitive differences. Every Tuesday at 11:30 AM Eastern, DLI members are invited to listen, ask questions, share information about almost anything related to the industry. Need answers to your question ask and you will likely get an answer from one of your peers. Every Tuesday, I learn something that I never knew before.

With DLI's help, MWDLI members are pivoting and working to increase their business in ways they never thought were possible. Not only will you learn from DLI and MWDLI, but you will learn from your peers whose challenges are no different from the ones you are facing today. If you haven't utilized our services and Zoom meetings, you are missing out. Helpful information is available and we want you to utilize all of the information and resources. In the meantime, stay safe and if we can be of any help to you, please do not hesitate to call!

## Idea of the Month: Use the Power of your Database

**FIRST OF ALL, IF YOU ARE NOT USING THE POWER OF E-MAIL MARKETING YOU ARE LEAVING PROFIT ON THE TABLE.**

The most common complaint I hear is that volume is down. There are only really two basic ways to increase volume: get new customers, or have your current customers bring you more volume. Your best customer is your current customer. They already know the value of your service, and if you want to increase volume in your plant -- one of the best ways is to leverage that relationship. E-mail marketing can be the most powerful, and cost effective, tool in your marketing toolbox. You can use e-mail newsletters and postcards to highlight little known services, or to highlight company specials you have running. There is no better way to get your message out there than to be direct, and to be aggressive.

One of the most common hesitations is that cleaners don't want to Coupon. E-mail marketing does not have to be discount driven. In fact -- I believe the more interesting and useful the information, the more apt it is to work. DLI has been creating "Consumer News you Can Use" for use by members for over a year now. These articles are useful, helpful and they drives ales. There is a tremendous value to letting your customers know how to properly store away winter garments. They must be cleaned before storage -- that increases volume. Don't let salt damage from icy conditions sit on leather boots and coats for a prolonged period of time. These hints will help drive business.

Company newsletters are great ways of letting your customers know that you are about their garments, you want to help them prolong the life of their fine fashions, and most importantly remind them of the services you can perform. The more opportunities you have to demonstrate your expertise -- the more apt you are to

solidify that relationship. Emails are the best word of mouth for your business. It is so easy for your customer to forward your information to their friends and associates. Your customers can help you promote your business. If you need advice or help, call Peter Blake at 617-791-0128.



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We're a full-service environmental consulting firm that has cleaned up more dry cleaning sites than any other firm in the USA. We're the only firm that focuses on finding the money to pay for investigation, cleanup, and legal defense. We restore the value of your property while protecting you from regulatory and legal issues.



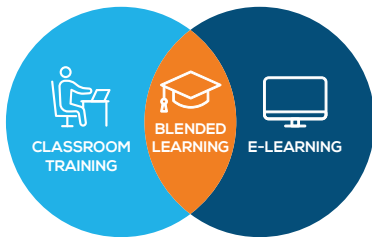
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# 2022

## CLASS DESCRIPTION

Since 1927, the School of Drycleaning Technology has changed the lives of students by offering the best education on drycleaning. How do we know? That's easy. The graduates tell us.



### INTRODUCTION TO DRYCLEANING COURSE FIVE-DAYS ON-SITE

DLI's On-Site Introduction to Drycleaning Course is suited for experienced individuals or those who are new to the industry.

- Sorting loads for drycleaning.
- Cleaning silk, satin and other fabrics.
- Removing coffee, ink, grease and other stains from clothing.
- Operating a drycleaning machine.
- Pressing pants, coats and skirts.
- Using tensioning equipment to improve finishing quality.

**BASIC – \$1,195**  
**INTERNATIONAL – \$1,195**  
**STANDARD – \$956**  
**GOLD – \$717**  
**PREMIER – FREE**  
**NON-MEMBERS – \$1,595**

### ADVANCED DRYCLEANING COURSE TEN-DAYS ON-SITE

This ten-day Advanced Drycleaning Course is for individuals who have completed the Introduction Course or have hands-on production experience and knowledge of basic stain removal and finishing techniques. The advanced course covers:

- Identifying cotton, silk, polyester and other fabrics.
- Using bleaches without damaging the fabric color.
- Pressing blouses, dresses, ties, pleated garments, silks, velvets and corduroy.
- Wetcleaning wool, silk and more.
- Maintaining and changing filters.
- Troubleshooting problems with the drycleaning machine.
- Using tensioning equipment to improve finishing quality.
- Current regulations facing the drycleaning industry.
- Customer service techniques for drycleaners.
- Getting clean, white laundry.
- Cleaning and preserving wedding gowns.
- Understanding the differences between solvents including perc, GreenEarth®, hydrocarbon and SOLVONK4.
- Pressing laundered shirts.
- Designing a drycleaning plant with the most effective work flow.

**BASIC – \$1,695**  
**INTERNATIONAL – \$1,695**  
**STANDARD – \$1,356**  
**GOLD – \$1,017**  
**PREMIER – FREE**  
**NON-MEMBERS – \$2,195**

### GENERAL DRYCLEANING COURSE FIFTEEN-DAYS ON-SITE

This fifteen-day general course is made up of the Introduction and Advanced Courses. These classes also can be taken individually, but DLI affiliates save when taking them together.

**BASIC – \$1,995**  
**INTERNATIONAL – \$1,995**  
**STANDARD – \$1,596**  
**GOLD – \$1,197**  
**PREMIER – FREE**  
**NON-MEMBERS – \$2,895**

### BLENDED LEARNING INTRODUCTION TO DRYCLEANING COURSE SEVEN-DAYS VIRTUAL / TWO-DAYS ON-SITE

New for 2022, DLI is offering its Introduction to Drycleaning Course in a blended learning format, composed of seven days of virtual training and two days of on-site training at DLI's School of Drycleaning Technology in Laurel, Maryland.

The course includes all the traditional aspects of the Introduction to Drycleaning Course.

**BASIC – \$1,195**  
**INTERNATIONAL – \$1,195**  
**STANDARD – \$956**  
**GOLD – \$717**  
**PREMIER – FREE**  
**NON-MEMBERS – \$1,595**



### STAIN REMOVAL COURSE SEVEN-DAYS VIRTUAL

Seven days of everything from fiber identification and characteristics to stain removal chemistry and procedures to using bleaches and specialty products such as digesters, amyl acetate and acetone to assist in the spotting process.

**BASIC – \$495**  
**INTERNATIONAL – \$495**  
**STANDARD – \$394**  
**GOLD – \$297**  
**PREMIER – FREE**  
**NON-MEMBERS – \$695**

# 2022

## SCHEDULE INFORMATION



### ON-SITE COURSES

#### **SPRING 2022 GENERAL COURSE**

##### **INTRODUCTION TO DRYCLEANING**

March 7 - 11

##### **ADVANCED DRYCLEANING**

March 14 - 25

#### **SUMMER 2022 GENERAL COURSE**

##### **INTRODUCTION TO DRYCLEANING**

August 8 - 12

##### **ADVANCED DRYCLEANING**

August 15 - 26

#### **FALL 2022 GENERAL COURSE**

##### **INTRODUCTION TO DRYCLEANING**

October 17 - 21

##### **ADVANCED DRYCLEANING**

October 24 - November 4



### BLENDED LEARNING COURSES (VIRTUAL & ON-SITE)

#### **SUMMER 2022 BLENDED COURSE**

##### **INTRODUCTION TO DRYCLEANING (9 DAYS)**

June 7, 9 (virtual)

June 14, 16 (virtual)

June 21, 23 (virtual)

June 28 (virtual)

July 14 - 15 (on-site)



### VIRTUAL COURSES

#### **SPRING 2022 VIRTUAL**

##### **STAIN REMOVAL (7 DAYS)**

April 26, 28

May 3, 5

May 10, 12

May 17

#### **FALL 2022 VIRTUAL**

##### **STAIN REMOVAL (7 DAYS)**

September 13, 15

September 20, 22

September 27, 29

October 4



*The experience and information was amazing! If you haven't been there yet, I would recommend going.*

—Maria Eggers,  
Shorty Cleaner Launderer

*Everyone in the drycleaning industry should take these classes.*

—Ahmad Osmanzada,  
Clean Smart

## SCHOLARSHIPS

The following scholarships to the School of Drycleaning Technology have been generously provided. Contact DLI's Education Department at 1 (800) 638-2627, Ext. 1103 or email [Education@DLIonline.org](mailto:Education@DLIonline.org) for more information.

- Barry McElveen (SEFA)
- Bobby Landers (SEFA)
- Cleaner's Supply Scholarship
- Fitzgerald Scholarship (WFI)
- Gerald Stavelly (SDA)
- Kreussler
- NIE Scholarships
- R.R. Street and Co. Education Fund
- Tom Kimmel Memorial Scholarship
- Walter Krefetz Scholarship (NEFA)

## REGISTER TODAY!

1-800-638-2627 • [Education@DLIonline.org](mailto:Education@DLIonline.org)

# Are You Leaving Money on the Table?



FOR MANY DRY- CLEANERS AND SMALL BUSINESSES, THE EMPLOYEE RETENTION TAX CREDIT CAN BE A MUCH NEEDED LIFELINE.

The good news is many businesses have already been claiming the credit and have received tax relief in 2021. A large number of cleaners have already filed amended returns for 2020 and have started to receive payments on those returns. From just a small sampling of filers, we have seen over \$5,000,000 returned to members of the industry and estimates show it could be more than double that figure.

In a nutshell for 2020, your eligibility as an employer is based on gross receipts of less than 50% compared to the same quarter in 2019. This means if your gross receipts decline more than 50% in 2020, you are eligible to begin taking the credit. You continue to qualify for the credit until your gross receipts recover to over 80%, or until December 31, 2020. The tax credit provides for a 50% credit per employee of the first \$10,000 in wages. This could mean as much as \$5,000/employee.

In 2021, the parameters changed dramatically. Your eligibility as an employer is based on gross receipts of less than 80% (versus less than 50%) compared to the same quarter in 2019. This means if your gross receipts decline more than 20% in 2021, you are eligible to take the credit. In 2021, you are allowed to take a 70% credit on the first \$10,000 of wages in each qualifying quarter.

There are some stipulations worth noting, you may not claim ERTC for any time period you are using PPP funds, and there are some payroll limitations as to what employees may qualify.

This is a very complex assistance program so we advise you seek advice from your tax professionals. We have printed a 2021 Flow Chart on the next page to check your eligibility “As you can see the credit can be significant,” observed peter Blake, NEFA Executive Director, “and it is in your best interest to investigate the program thoroughly. Make sure your accountant is aggressively looking at this program, and how you can apply. It can be a lot of work but in the end it is worth it. There are also companies who specialize in this program and can help you re- cover funds.

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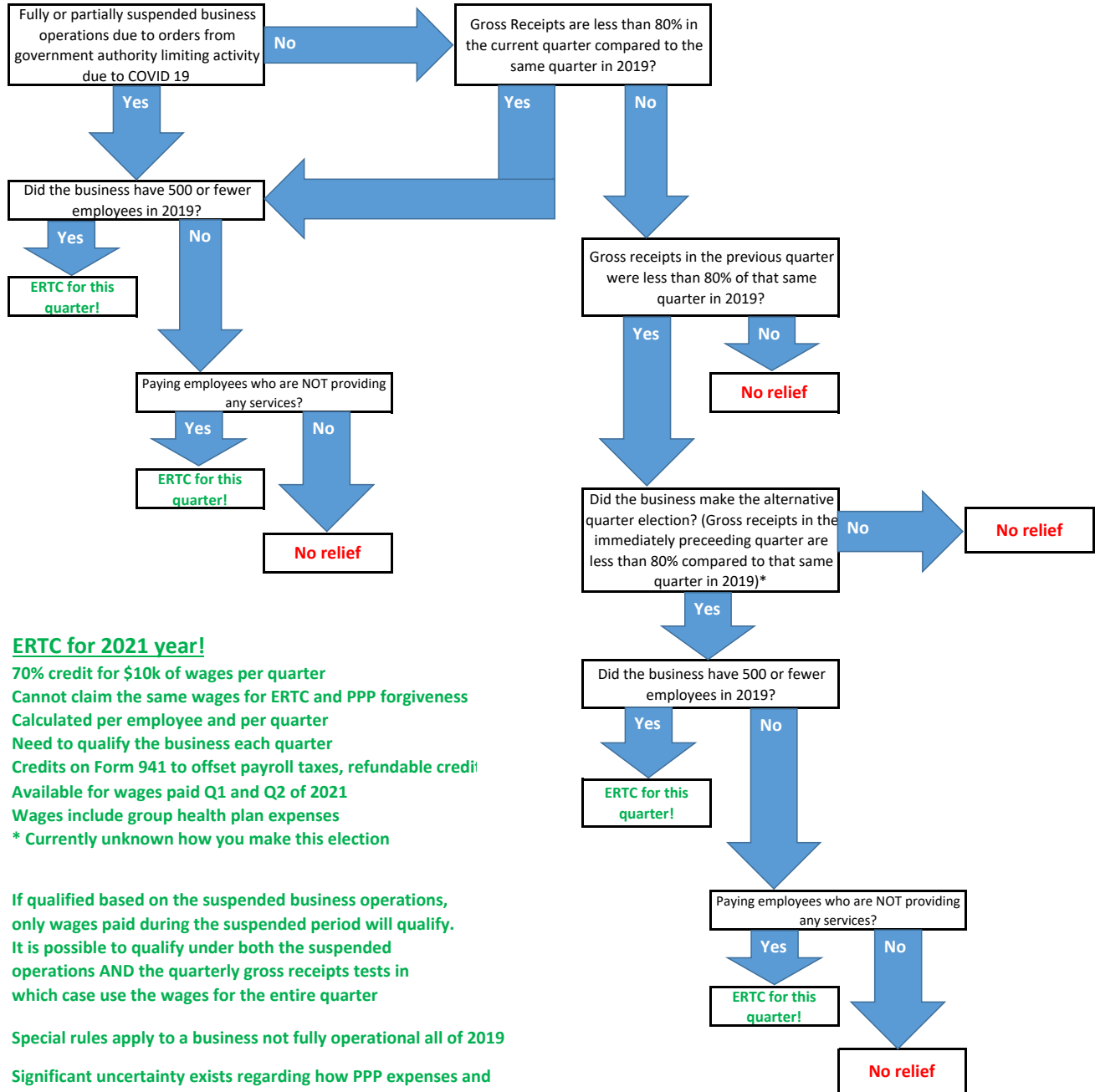
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# Employee Retention Tax Credit Flow Chart for 2021

The following information was produced by Chris Witch (@ravenousTiger) and was circulated on Twitter. There is a similar flow chart available for 2020 and both PDF versions will be on [www.MWDLI.org](http://www.MWDLI.org). This is provided as general information and you should seek professional advice when filing for these Tax Credits.

## Employee Retention Tax Credit Flow Chart for 2021 quarters



### ERTC for 2021 year!

- 70% credit for \$10k of wages per quarter
- Cannot claim the same wages for ERTC and PPP forgiveness
- Calculated per employee and per quarter
- Need to qualify the business each quarter
- Credits on Form 941 to offset payroll taxes, refundable credit
- Available for wages paid Q1 and Q2 of 2021
- Wages include group health plan expenses
- \* Currently unknown how you make this election

If qualified based on the suspended business operations, only wages paid during the suspended period will qualify. It is possible to qualify under both the suspended operations AND the quarterly gross receipts tests in which case use the wages for the entire quarter

Special rules apply to a business not fully operational all of 2019

Significant uncertainty exists regarding how PPP expenses and ERTC wages interact, be especially careful in planning for use of 2021 ERTC if a PPP Second Draw is obtained



# Cleaning Gloves, Scarves, and Shawls

By Drycleaning & Laundry Institute

## Gloves

Fashion accessories are frequently used to complete the look of an outfit but gloves and scarves may be used to protect the skin from inclement weather too. Gloves are also a component of personal protective equipment (PPE) and intended to protect the wearer from cuts, heat, cold and chemical exposure.

Gloves may be made from pigskin, kidskin, chamois and other animal skins, wool, cotton, or synthetic fibers. Fabrics may be knit or woven and the gloves may be lined. Some gloves combine leather and fabric. Gloves may be washable or drycleanable and while not required to have a care label, many do have a care instructions on the packaging or on a tag attached to the item.

Removing stains from the red leather gloves may cause a change in the color or texture.

## At the counter

Check gloves carefully for stains and damage to the fabric or stitching. Ideally, gloves should be cleaned before they are too soiled. Note if gloves are extremely soiled or damaged. If no care label is

found ask the customer if care instructions were on the original packaging.

## Cleaning

Follow manufacturer's care instructions if available. If care instructions are not available and colorfastness tests show the fabric is colorfast to water wash in lukewarm to cool water.

Do not wring or twist the gloves to remove excess water. Roll the gloves in a towel to absorb excess water. Do not dry the gloves near a heat source or in direct sunlight. When the gloves are dry the leather can be softened by rubbing them between moistened fingers.

Knitted and fabric gloves can be washed in the same method as leather gloves.

PPE accessories, including gloves, should be cleaned in a manner that does not diminish protective qualities. If care instructions are not attached contact the user, distributor or manufacturer for information before cleaning the items.

Gloves made of Nomex fibers which are used to protect hands from extreme temperatures and abrasive cuts have care instructions that should be followed to maintain protective qualities.





### Scarves & Shawls

Many scarves and shawls are loosely knit or woven with long fringe trimming the edges. The fabric may be decorated with hand painted designs or embroidery work that might not be colorfast to solvent or water.

### At the Counter

Check carefully for stains and fabric damage and note any problems on the ticket. Ask the customer if care instructions were attached to the item or

shared when the scarf/shawl was received. These accessories can be very expensive and should be handled as a fragile item in cleaning.. It

will be easier to determine how to clean a scarf or shawl if the fiber content is known.

Fringe on the loosely woven wool scarf should be covered before placing in a net bag for cleaning.

### Spotting & Cleaning

Follow care instructions that are attached to scarves and shawls. If unavailable or examination suggests an alternate method of care will be necessary, test all colors for colorfastness. Also, check to see if staining substances have caused dyes to bleed or color to change in the fabric. Test all colors for colorfastness with any agent that will be used on the fabric. If the item will be drycleaned, test with the solvent used in the cleaning system.

If the scarf or shawl has fringe that could become tangled or distorted place it in a net bag or stitch the fringe between a piece of folded fabric held in place with a large stitch or pins. This will keep the fringe from unraveling or tangling.

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### *requests*

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# Fabricare

# Potential Pitfalls when Increasing Your Bottom Line With Surcharges and Fees

By: Jon Meijer

Everything is getting more expensive as inflation continues to rise. Everything from energy to hangers to poly to the cost of keeping employees. With that said, there has been a great deal of discussion over the last several months about raising prices in your plant and how much before the customers thinks they are paying too much for a particular service. So, the real question might be where can I increase my revenue and overall bottom line in my business? While there is no one answer, surcharges and fees are mentioned frequently. Some cleaners have used energy surcharges and fees as the price of gas, fuel, electricity, waste disposal, state cleanup programs, etc. continue to rise. These fees are in part or fully passed on to the customer as part of the cost of doing business. The bottom line is that these surcharges and fees are used to help offset business expenses.

Over the years more than a few drycleaners have found themselves in trouble with government agencies and/or class action suits. The information in this article is not designed to provide drycleaners with legal advice, but is intended rather to serve as an informative tool for cleaners who are presently using or are considering the possibility of adding surcharges and fees, especially environmental fees on drycleaning services. Why focus on environmental clean up and Disposal laws? Simple, it is easy to assume that the fees paid by the drycleaners to a government agency is a tax, and that tax can be passed on to the consumer as a tax? After all, environmental clean up and disposal laws are mandated by the Government. We didn't make them up.

## Areas of Concern & Potential Pitfalls

To begin with, DLI does not make any endorsements regarding the use of an environmental surcharge or fee. The use of an environmental surcharge/fee is a decision made individually by business owners based on their individual business needs. However, if an owner wishes to incorporate such a fee on his/her invoice, the dry cleaner should be aware of potential areas of concern and possible pitfalls.

Business owners would be well advised to contact a local attorney to seek additional information regarding specific state rules and requirements before incorporating an environmental surcharge or fee on

their invoices. In the meantime, the following is a list of some of the more critical items a dry cleaner will need to consider:

### **An Environmental Fee or Service Charge is Different from a Tax**

Owners should never refer to this fee as a tax, government fee, compliance fee, or any other type of fee that might lead consumers to believe that it is part of a government-related tax. The owner could be liable for the payment of the tax to the taxing authority if the fee was implied to be a tax.

### **Disclose and Explain Your Fee on the Invoice and Use a Call Office Sign to Explain the Same**

When explaining one's fee, the dry cleaner should suggest that it is part of his/her business expense in complying with local and federal regulations, or something to that effect. The following language was provided by the National Welding Supply Association and Counsel as an example of how environmental surcharge language could be worded.

The Hazardous Materials Charge is intended to cover the increasing cost faced by dry cleaners in complying with federal, state, and local regulations involving the storage, transportation, and disposal of hazardous materials. The amount of the Hazardous Material Charge is not specifically related to actual compliance cost incurred by the dry cleaner, which may vary by service, geographic area, and time. This charge is not a federal, state, or local tax and is not required by any federal, state, or local law authority. Dry cleaners retain the entire amount of the Hazardous Materials Charge.

### **General Service Tax on Dry Cleaning vs. a State Tax on Services as Part of a Statewide Cleanup Fund**

Cleaners in states where a general state drycleaning tax on dry cleaning services exists will need to find out if the environmental fee should be applied before or after the tax when calculating the fee or fee percentage to pass on to consumers. Additionally, some states have a tax that is applied to all dry cleaning services as part of their state cleanup fund. Again, a drycleaning operator will need to find out how his/her fee is to be applied in the transaction.

**What Items Can You Apply the Environmental Fee To?**  
A dry cleaner may or may not be able to apply an environmental fee on all drycleaning services. Some services that do not have an associated hazardous waste cost, like shirt laundry or alterations, may have to be invoiced without tying that service to an environmental fee. In states that have a state dry cleaning cleanup fund, the tax is generally charged on all services, including shirt laundry and alterations. In this case, it may be acceptable to include a fee on all services since all of the services are being taxed under the fund. In either case, it would be wise for any business owner to get specific information from their state.

### **You Must Disclose the Environmental Fee**

The price quoted to the customer for any service in which an environmental fee/surcharge is added must include the cost of the environmental fee/surcharge in the total amount quoted, whether verbal, written, posted, or advertised. For instance, a cleaner may not quote or post the price of a two-piece suit at \$8 if the true end price of that suit is actually \$8.25, which would include the environmental fee.

In this case, the verbal, written, posted, or advertised price for that suit is in fact \$8.25—that is, \$8 for the service and a clearly stated message that there is a \$.25 or (3.125%) environmental surcharge as well. It should be noted that under most state laws, it is illegal for a merchant to conceal or omit key information in any sales or advertising transaction. Disclosure is the key here!

### **Accounting and Accountability**

If an environmental surcharge or fee is collected, then it is prudent for that owner to account for this collection activity on his/her business books, since it is most likely considered taxable income. Additionally, it is equally prudent for owners to account for those environmental fees that they are currently paying. It is not prudent to charge a fee that exceeds the actual cost of owner compliance.

### **How Much to Charge**

Regardless of whether an environmental fee is collected on a per-ticket basis or as a straight percentage of the customer invoice, the fee should closely match actual owner compliance expenses.

Additionally, a group of dry cleaners that decides to charge the same fee, regardless of their individual compliance costs, will likely be violating federal and state unfair trade practice laws.

### **Conclusion**

Collecting an environmental fee or surcharge is clearly up to each individual business, and if one decides to collect a fee, it should be done in accordance with all applicable laws. Owners should get specific information from their state and local authorities for additional guidance, as well as legal advice from a qualified attorney.

The points mentioned in this bulletin are based on information currently available. It should be noted that many of today's existing laws either do not address or are absent of specific language regarding an environmental surcharge or fee. As a result, business will likely see increased scrutiny and unequal interpretation of existing laws.

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# The Employment Brief from Kollman & Saucier

By Frank Kollman, Kollman & Saucier, PA

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## DISTRICT OF COLUMBIA EXPANDS ITS PAID FAMILY AND MEDICAL LEAVE BENEFIT

The District of Columbia will boost its paid family and medical leave program to offer a maximum of 12 weeks of leave annually, as well as reducing the payroll tax rate that employers will pay. The expansion resulted from a review of the paid leave program finances by D.C.'s Chief Financial Officer, who concluded that the program would have a nearly \$500 million surplus this year at the current 8-week benefit level. The program began paying benefits in July 2020 and currently provides for 8 weeks of parental leave, 6 weeks for other family-related and personal medical leave, and 2 weeks of prenatal leave. The employer tax rate will be cut to 0.26% of wages, from the current rate of 0.62%.

Nine states, other than D.C., have enacted paid family and medical leave funded through payroll taxes, most recently including Oregon and Colorado. During Tuesday's State of the Union address, President Biden renewed his call for a national paid family and medical leave mandate. Currently, there is a Democratically-backed federal proposal that was reduced to four weeks of annual leave before passing in the House in November 2021. That tax and spending package is stalled before the Senate.

## MARYLAND POISED TO INCREASE DAMAGES CAPS FOR DISCRIMINATION CLAIMS

The Maryland Fair Employment Practices Act (FEPA) is the state analog to federal anti-discrimination laws. The law prohibits discrimination based on race, color, religion, sex, age, national origin, marital status, sexual orientation, gender identity, genetic information, and disability. If an employer is found to have engaged in an unlawful employment practice under FEPA the remedies can include compensatory damages, back pay, injunctive relief, and punitive damages. Compensatory damages are, as the name suggests, intended to compensate employees for future loss, emotional damages, mental anguish, and the like.

The Maryland General Assembly is considering increasing the limitations on compensatory damages for state law

discrimination claims. Senate Bill 449 would increase the amount of compensatory damages available under FEPA as follows:

- Employers with 15-100 employees, increase to \$65,000 (from \$50,000);
- Employers with 101 to 200 employees, increase to \$130,000 (from \$100,000);
- Employers with 201 to 500 employees, increase to \$260,000 (from \$200,000); and
- Employers with more than 500 employees, increase to \$385,000 (from \$300,000).

If enacted, the change will take effect October 1, 2022. The compensatory damages limits would also increase by 5% annually beginning October 1, 2022. The prior caps aligned with those under Title VII (the federal law barring discrimination based on race, color, national origin, sex, and religion).

In addition, SB 449 would amend FEPA to allow for back pay to be awarded for up to three years preceding the filing of a complaint where the underlying conduct is similar or related to other discriminatory actions that occurred outside the time for filing a complaint.

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