

We Are The Z-Team!

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TAX LAW INCLUDES CHANGE IN PER DIEM

By now everyone knows there is a new Federal income tax law in effect starting at the beginning of this year. Last December Congress passed—and on December 22nd the President signed—what's come to be known as *The Tax Cuts and Jobs Act*. Among other things, this law was designed to reduce Federal income taxes on middle-income wage earners.

There are a lot of details in the law, and one of them impacts transportation workers—particularly the ones who stay out overnight and claim an expense deduction from their income for the overnight stay. Many truck drivers take this deduction, known as "Per Diem" to reduce their taxable income. Up until December 31, 2017, this could be done one of two ways: either weekly as part of the employee's normal payroll calculation process or at the end of the year when the employee would itemize their deductions.

With the changes in the tax law, only one of those ways survived: the weekly per diem paycheck calculation. Starting this year, the year-end tax deduction option will no longer be available.



Derek Ritzman, Chief Financial Officer, told us, "I want everyone to know that we are not tax or financial advisors, but our understanding is that company drivers will no longer be able to take their per diem as a deduction on their tax returns." Derek said the per diem is now \$63 per overnight spent on the job. He went on to explain, "As far as we know, drivers can still report the days they are out overnight and obtain a pre-tax per diem deduction, but only if they do so on their weekly payroll check."

Derek spoke about some of the costs and benefits of using the per diem payroll deduction method. "Most people do this because it provides them with a larger take-home paycheck. The benefit comes today. But taking the per diem also reduces social security taxes as well as social security earnings, and this could affect the calculations the government uses to determine someone's social security benefit in the future when they retire. Since it's also often taken as a percentage of your taxable earnings, an employee's 401(k) deduction could be reduced as well and that could also affect retirement benefits."

Other Tax Changes

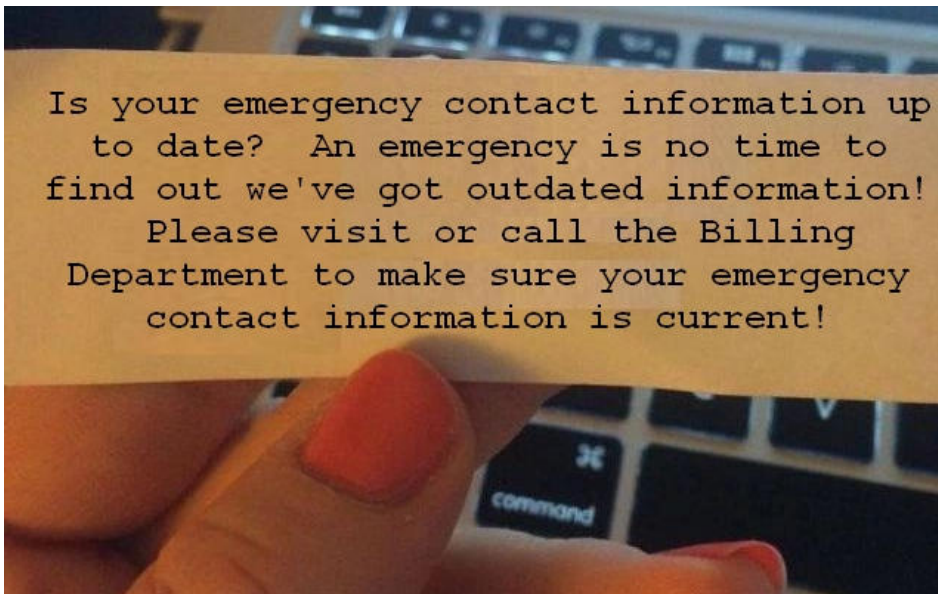
One of the major changes in Federal taxes for 2018 affecting wage earners will be a larger standard deduction. Many who have itemized deductions (such as medical expenses, charitable contributions, mortgage interest, state and local taxes, and per diem) will find the new standard deduction will exceed the amount they itemized in the past. Not only will this lower many people's taxes, it should also make filing taxes faster and easier.

PER DIEM CHANGES FOR 2018

CONTINUED FROM
FRONT PAGE

Derek gave us this warning, "I cannot emphasize this enough: *every person's circumstances and goals are different. Everyone who is considering taking the per diem in their weekly pay should do their own calculations and consult their tax advisor. People who are closer to retirement age might want to pay particular attention to this as typically higher wages are earned in the latter years of one's career. Having a reduction in taxable social security wages close to retirement could result in a reduction in benefits.*"

Derek said he will continue to monitor the situation from a tax standpoint. Anyone who has questions about their per diem strategy can contact him at Extension 249. Anyone who wishes to start a weekly per diem deduction should talk to **Gina Himes** in person or call her at extension 246.



REMINDERS FROM THE BILLING DEPARTMENT

Gina Himes is speaking at this month's safety meetings on a variety of topics. Here is one of the subjects she is including ...

"If you move or change your address: Please let us know! We also need to know in which borough, township, or city in Pennsylvania you are currently living so that the proper local Earned Income Tax deduction is taken from your paycheck. If you don't know your local municipality, we can try to find out, but it's so much easier if you can tell us. If you wait until the end of the year to take care of this on your local income tax return, you will probably not have had the correct taxes deducted and there is nothing we can do at that point to help you. If you haven't had enough deducted, you might be facing penalties and interest charges as well as having to make an additional year-end payment. So please, let us know if you move or change your address!"



ADMIT ONE

★ **Zimmerman Truck Lines** ★

*Invites employees, spouses, their children
OR grandchildren under 18 years of age.*

★ **2018 COMPANY PICNIC** ★

Sat. July 14th - Park Opens at 11 AM.
Catered meal served at noon.

★ **DelGrosso's Amusement Park** ★

Tipton, Pennsylvania

RSVP By June 28th to Gina at Ext. 246

FAMILY

ANOTHER IDEA ON HOW TO INCREASE TAKE-HOME PAY

The new tax law also raised the standard deduction amount and eliminated the personal exemption. This will affect nearly everyone's taxes. Are you now withholding too much or too little from your current paycheck? You can get more guidance by using the IRS on-line withholding calculator. It's available at <https://www.irs.gov/individuals/irs-withholding-calculator>. For best results, you will need a copy of your most recent pay voucher and a copy of your 2017 income tax return to use for reference when using the calculator. If you find that you need to change your weekly withholding, stop by the Billing Office to complete a new W-4 form.

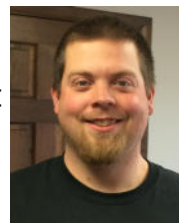


NEW (AND RETURNING!) ADDITIONS TO SHOP STAFF

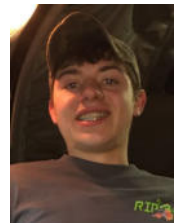
Kody Moist returned to Zimmerman Truck Repairs starting on April 4th. He worked here previously from 2014 to 2016. Kody is working second shift. He is the son of **Scott Moist**, who has been driving in our Van Division since August 2013.



Josh Gabbard began training on first shift this past Monday, April 23rd. He'll be moving to second shift in about two weeks working primarily at the pit doing PMs. Josh is from Thompsontown, and in his off hours spends time with his family.



Logan Wise, a junior at Greenwood High School, started this month on second shift. Logan is participating in the Diesel Technology Program at Perry-Cumberland VoTech. He'll be training and working in the evenings M-W-F and some Saturdays.



www.WeAreTheZ-Team.com

WE DELIVER CUSTOMER SERVICE

We all know that trucking is a competitive business and along with many other companies ZTL offers quotes to get freight. We are often not the lowest bidder, so sometimes we're not the first to get the business. But when the others don't perform as promised, it doesn't matter how low the price is if the freight is left sitting. That's when we get the call. Our team knows the most important thing is to get the customer's freight loaded and delivered safely and on schedule. *This is the core of our mission!*

Service is important and when we have a service failure, it affects the entire team. It reflects on all drivers as customers perceive ZTL as a company that literally cannot deliver. It affects dispatch because shippers then believe we make promises that we cannot keep. It affects rates because shippers won't pay for poor service. In other words, it affects the reputation of all of us.



"Zimmerman Truck Lines isn't just a trucking company. We're in the business of providing customers with premium service," explains **Mark Zimmerman**, COO. "Our Van Division particularly delivers to many Fortune 500 companies who expect reliable service. Our performance is tracked and rated on every load by most shippers. When a load isn't picked up or delivered on-time, it affects all of us."

Everyone needs to know their assignment. If you are not sure, call. If it's after hours, call. If you have a problem, call. If you are sick, stuck in traffic, or unable to make your appointment, call. Don't leave a voice message! You need to speak to someone to prevent a service failure! *Do not assume. Instead, please call!*

Together we are making it better!

MAY BIRTHDAYS ...

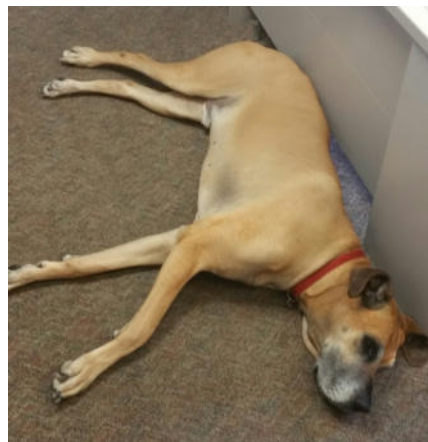
Cinda Lauver — May 2
 Steve Denotsko — May 5
 Jerry Tussey — May 14
 Scott Landis — May 15
 Kirby Nickel — May 16
 Mark Kling, Jr — May 19
 Roy Huffman — May 25
 Andrew Ruble — May 29
 Derek Ritzman — May 30
 Julio Morales — May 30

... AND ANNIVERSARIES

Herb Haagen — 19 years
 Justin Henry — 10 years
 Marcel Ernst — 7 years
 Andrew Ruble — 5 years
 Steve Denotsko — 3 years
 Sal Raffa — 2 years

DATES TO REMEMBER

Second Spring Safety Meeting:
 Saturday April 28th
 (if you didn't attend on Saturday April 21st)
 Memorial Day — Mon May 28th
 Independence Day — Wed July 4th
 Company Picnic — Sat July 14th



We're Pet Friendly!
 Pictured at left is **Geoff Hosband's** dog, Maxum, when he stopped by to rest in front of his master's desk during a visit on March 23rd.

QUOTE FOR THE MONTH

"If we don't satisfy our customers, our competitors will."

ZIMMERMAN TRUCK LINES, INC.