



Hello,

I hope this note finds you well as we near the close of 2021.

I'm writing to provide a brief tax update for 2022. Although we are still impacted by COVID, this year we've seen a dramatic shift from the production challenges faced in 2020 and in the first quarter of 2021. But while production has returned, we remain sensitive to areas where tax burdens for employers could increase.

Employer costs appear in two categories –

Hard Costs – Includes employer taxes paid to Local, State and Federal tax authorities, as well as Workers Comp insurance, Disability insurance and General Liability insurance.

Soft Costs – Includes expenses associated with administering Affordable Care Act (ACA) compliance, State Sick Leave reporting, Local, State and Federal reporting requirements, unemployment claims, tax liens, garnishments, etc.

Although taxes remain relatively stable, many states provide updates to their unemployment rates in January. Given the historically high number of unemployment claims seen in 2020 and 2021, it's possible that we will see increases to state and federal unemployment taxes. We will monitor changes in the tax and employer liability environments throughout the year and update you regarding meaningful developments.

Until further notice, our tax rates for 2022 will remain unchanged.

I want to assure you that we are sensitive to the impact that all costs have on advertising budgets, and we do everything within our control to limit them. We are absolutely committed to operating at the highest efficiency, thereby keeping our fees at the fairest levels possible.

As always, we truly appreciate the opportunity to serve you. Should you have any questions, comments or suggestions, please feel free to contact us.

Best regards,

Timothy R. Hale

Chief Talent Officer