

tmta talk

A Publication of the Tooling, Manufacturing & Technologies Association

The TMTA Insurance Agency offers you the most comprehensive, wide-ranging package of insurance products that you can find. Anywhere!

You CAN save money on your company's Employee Benefits program!

The TMTA gives you the tools to assemble Health, Dental, Life, Disability, Property and Casualty Insurance, as well as other insurance offerings, with a smaller investment to you.

Did you know that we're your ultimate source for **affordable group employee benefits**? You can leverage TMTA's national buying power and shared risk. That means:

- Lower rates than you could qualify for on your own.
- Access to high-quality, flexible insurance programs often with no medical questions asked.
- Group term life insurance.
- Two-year rate guarantees.
- Group long-term and short-term disability insurance.
- Group dental and vision insurance.
- Both employer paid and voluntary coverage options.
- Value-added programs like travel assistance and critical illness coverage.

The odds are good you can realize an immediate benefits costs-savings in excess of your TMTA dues.

You may even be able to add high-value employee benefits **at no cost** to your company.

High-value employee benefits like these:

Free BCBS Online Administrative Services

The TMTA Insurance Agency provides eMCS (electronic Member Collection System) online administrative services at no cost: enrollments, terminations, address changes, new ID cards, billing and payment history, etc. Because of our online capability, changes are normally completed within 24 hours. This service provides real time confirmation about the status of newly hired employees, COBRA, Medicare, and dependent eligibility.

COBRA Administrative Services

We will provide a national COBRA administrator of online COBRA services which will **reduce your liability** if you are currently administering COBRA on your own. This service provides peace of mind in knowing your COBRA responsibilities and obligations are being satisfied.

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TMTA Events Calendar

December 2007

Remember to visit the TMTA website
Calendar at www.thetmta.com for detailed,
up-to-date information on all events.

- 12 TMTA Board of Directors
meets at TMTA offices
- 18 MTMIC Board of Directors
meets at TMTA offices
- 24/25 TMTA & MTMIC Offices
Closed for Christmas
- 31/01 TMTA & MTMIC Offices
Closed for New Year's

From Rob's Roost

by: *Rob Dumont,*
President & CEO

A Little Math, A Lot of Effort!

So...just for fun...let's do a little math: stats for 2006 reveal that that august collection of highly industrious (not industrial) individuals who haunt the halls of Congress, Lobbyists, left the sum of \$2 Billion on the Hill in DC. Given the collective head count in the House and Senate (544) and, for the sake of this article assuming each member takes an equal piece of the substantial pie, then each piece amounts to a mere \$3,676,470.58. Who among us would willingly forego a piece of that pie! Ergo, validity to my frequent statement that we, the people, can not defeat Lobbyists at the Bank and, if we are to have success (and we will have some) we must achieve it at the Ballot Box! Admittedly that pie will not be shared equally for, I suspect, that among legislators equality is not necessarily seen as equity. Oh, and please remember that the pie for 2007 is baked and in the throes of distribution. All indicia are that the pie will continue to be baked annually going forward and quite possibly be enlarged to satisfy growing appetites in Washington.

How, in the face of an obviously monumental mass of cash, can we hope to achieve any success at all? Elementary, dear member, the first and greatest goal of a legislator is to be re-elected (and of course the motivation is clear) so we need to see that as the weak link in the chain and focus our efforts thereon.

Indications are that a member of Congress will reconsider a position taken on an issue if as few as twenty (20) communications from constituents advocating a different position are received. The number is so modest because so few such communications are received. Those communications should be written and, given the state of the world of terror, should be sent by fax or e-mail. Regular mail is held up literally for weeks so that it might be poked, prodded and irradiated to ensure the safety of its contents. During that process the one thing it will not be is read!

I am asking each of you to consider rendering your personal assistance in influencing legislation. I would ask that by return fax to the TMTA (248-488-0500) or e-mail (ron@thetmta.com) you indicate your willingness and readiness to participate in a program whereby TMTA will by your choice of communication inform you of pending legislation and/or issues so that you can send a communication to your representative(s) involved with that issue in the House of Representatives or Senate and offer your view on the position to be taken. In short you can become one of the twenty (20) above mentioned. And, if you are of a mind, you might even ask members of your staff to voice their opinion as well since, after all, it is their job(s) we are trying to preserve.

To the extent that anyone needs assistance in drafting such a communication we will provide that to you as well. What is really important is that members of Congress be told by their constituents how the constituent expects them to vote. Hearing it often enough will have an impact and, you can at the same time keep track of just how well you are being represented so that you have a much better measuring stick when it comes time to cast your ballot at the next election. If a member doesn't heed your advice, some will not, make note of that and consider what impact it should have in your next choice of a representative. The converse is true as well if heed is taken.

An effort of this nature takes little time and has great potential but only if you choose to become involved.

We will be electing three new directors for the term beginning in April 2008. The election will be held in the New Year, a break with tradition, as terms no longer end at year end. Please consider standing for election and if interested contact us and we will ensure that your name and information is given to the nominating committee.

All of us at TMTA thank you for your membership and support; we are passionate about saving manufacturing in America and with your help we expect to make greater headway in the coming year.

A very Merry Christmas and Happy New Year to all! Be safe and have a wonderful Holiday Season!

Revised I-9 Form Released

The U.S. Citizenship and Immigration Services (USCIS) has issued a newly revised Employment Eligibility Verification Form (Form I-9). As of November 7, 2007, the Form I-9 with a revision date of 6/5/07 is the only version of the form that is valid for use; however, there will be a 30-day grace period from the date the regulation is published in the Federal Register, in order to transition to the new form.

The new form eliminates the use of 5 documents as proof of identity and eligibility from List A because USCIS officials believe they lack features that deter fraud, tampering and counterfeiting. A new hire can prove his/her identity and employment eligibility by providing allowable documentation from 2 other lists on the form that contain a total of 19 documents.

All employers are required to complete the new I-9 form for each new employee hired in the U.S. to establish that employee's employment eligibility. Employers are not required to complete new I-9's for existing employees. Employers who do not use the newly revised form could face fines or other penalties.

Legislative Update

by: *Judy Augenstein,*
Legislative Consultant, Lansing

In the early hours of October 1, Governor Jennifer Granholm signed legislation funding the budget of the state of Michigan. After 19 consecutive days of session, the House and Senate passed House Bills 5194 and 5198 to raise new revenue for the state's general fund. HB 5194 increased the income tax to 4.35 percent. The final House vote was 57-52. Lieutenant Governor John Cherry broke the 19-19 tie in the Senate to send the bill to the governor's desk. HB 5198 expanded the 6 percent sales tax to select services in Michigan. Lieutenant Governor Cherry broke another tie to move the bill.

The following bills were passed as part of the budget compromise:

- SB 772: General government 30 day continuation budget;
- SB 773: School aid fund 30 day continuation budget;
- HB 5194: Income tax increase—new rate 4.35%;
- HB 5198: Expansion of 6% sales tax to certain services;
- SB 1: Establishment of health incentives for Medicaid recipients;
- SB 549: Requirement for common calendar within intermediate school districts;
- HB 4800: Bar state employees from drawing pension from state while employed by the state;
- SB 62: Privatize mental health services in prisons;
- SB 396/397: Creation of a committee to investigate opportunities for government efficiency;
- SB 395-398: Creation of a committee to review and/or eliminate government mandates;
- SB 418: Establishment of health care insurance pooling/competitive bidding for schools; and
- SB 546/547: Retirement health care vesting schedules apply for school employees hired after 7/08.

Within hours of passage of the service tax, the “Axe The Tax Coalition” was born. The goal of the coalition is to repeal the service tax by amending the state constitution, to balance the budget by more cuts and reforms, not substitute the tax with another. Governor Jennifer Granholm has stated that she is open to replacing the service tax, but not without a replacement tax. Some business groups and big corporations are pushing to replace revenue for the repeal of the services tax by pursuing a surcharge to the new Michigan Business Tax. Under that proposal big businesses would have their total surcharge liability capped at \$2 million. Another proposal being floated is to hike the income tax as a replacement tax for the service tax. Legislative offices continue to receive up to 100 calls a day from unhappy citizens about the tax.

Political pundits agree that term limits has not only eroded institutional knowledge, but the lack of experience and lack of trust has allowed politics to get in the way of policy decisions. The confrontational atmosphere prevents the Legislature and Governor from being able to move forward with many issues important to the people of this great state.

Members In The News

X-Ray Industries Inc. is a Troy-based company that tests critical parts for the aerospace, automotive and power-generation industries and finished products for food processors. X-Ray Industries purchased the building behind their headquarters and built a training center in cooperation with the Oakland Technical Center vocational school and are increasing the local workforce through their on-site training program.

According to the general manager, there is a shortage of 5,000 technicians in the inspection industry in the U.S. today and by 2010, half of the aging force of 40,000 technicians is expected to have retired. Fifteen to 20 students at a time go through X-Ray's program. It takes a year and a half to prepare them for certification by the American Society for Nondestructive Testing.

Founded in 1941, X-Ray Industries was immediately successful in the growing aerospace industry at the Willow Run bomber plant as it ramped up production for World War II. Today, they operate 10 testing laboratories around the country.

Their capabilities include using a variety of methods to examine parts for tiny flaws that can't be detected visually using ultrasound, X-rays and gamma rays, fluorescent imaging by liquid penetrants and magnetic-particle imaging. They can measure parts as small as a fraction of an ounce to as large as 10 tons.

They were recently featured as a company "On The Grow" in Crain's Detroit Business.

Our congratulations and best wishes to the above member. Let us know what is happening at your company. We would like to share it with all our readers.

2008 Standard Mileage Rates

The IRS issued the 2008 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, and medical or moving purposes.

Beginning 1/1/08, the rates are as follows:

- Business rates - 50.5 cents
- Medical or moving - 19 cents
- Charitable rates - 14 cents



From the Desk of Gary Wood

MTMIC, Chief Operating Officer

December 2007!

Month Three of the Celebration of Hollow ThanksMasYear

Policyholders of the MTMIC recently received a special mailing from our office that includes a notice of the renewal quote for their workers' compensation coverage. I am enclosing the text of that message because we have found that in many cases information which applies to the renewal of the coverage does not always stay with the renewal quote.

Here is the text:

November 16, 2007

Memo to policyholders renewing on January 1, 2008.

Please review the attached quotation information for your January 1, 2008 policy renewal.

Payroll Estimates

Your premium was based on one of the following methods of obtaining estimates:

- You completed the questionnaire and faxed it to our office (over 80% responded);
- Your Agent, if applicable, provided payroll estimates on your behalf; or
- We received no response so we used the payroll estimate from 2007.

Rates

The classification rates have again remained unchanged.

Schedule Credits/Debits

New for this renewal, Schedule Credits or Debits have been used in pricing your coverage. The credits applied to your quote reflect specific attributes of your company and are based on a filing made with the Michigan Office of Financial and Insurance Services.

Premium Discount

A 9.5% premium discount applies to all policy premium over \$5,000. If your premium exceeds \$100,000, an 11.9% discount applies to all amounts over \$100,000.

Premium Payment

New for this renewal, a 10% deposit / 10 payment plan has been authorized by the Directors. This provides a new flexibility and allows you to better budget your cash flow. ACH premium payment is also available so you can avoid paying by check.

Dividend

The Directors have authorized a Dividend (currently awaiting regulatory approval) estimated to be 10% of the premium paid by policyholders during 2007. The Dividend, when approved, will be distributed after the final payroll audit is completed

This should be a great renewal with more opportunity to save you money on your workers' compensation coverage. To bind your renewal coverage, just mail your deposit payment in the provided envelope or fax the Authorization for ACH Debit form to (248) 488-1980 by December 7. If you have questions about your quote please contact:

Megan Brown (megan@mtaonline.com or 248-444-9513),

Glenda Moyle (glenda@mtaonline.com or 248-488-1172, ext 1315), or

Gary Wood (gary@mtaonline.com or 248-488-1172, ext 1316).

Thank you for your continued support.

How much can I say about this? The Manufacturing Technology Mutual Insurance Company and the predecessor organizations (MTA Workers' Compensation Fund, the DTA Castings Group and DTA Workers' Compensation Fund) have been serving the industry continuously since 1976.

We cut your costs at every opportunity;
We paid dividends when the excess funds were available;
We provided aggressive loss control standards;
We provided vigilant claims management; and
We also provided statutory workers' compensation coverage.

This insurance company was not formed to provide a hefty return to investors or stockholders; from inception in 1976, the MTMIC and the predecessor organizations were formed to do the best for the policyholders. We remain consistent with that goal.

News since November:

Reinsurance

We have forged a stronger relationship with our reinsurance companies and, unlike the good old days, we did not get a shocking increase in the premium or have trouble obtaining quotes for the coverage. Within the last few days the Board has authorized the extension of the coverage offered last year at terms and conditions beyond those available to the former Fund operation.

Loss Control: Ray Duff, Manager

Ray has reaffirmed our relationship with MiOSHA through the revitalized Alliance. The Alliance has been amended to recognize the MTMIC for the remainder of the three year agreement.

The ongoing inspection and training program has continued with over 680 visits completed thus far this year. Recently the focus of the loss control reviews has changed slightly to recognize the huge cost of some types of specific injuries and the loss control consultants will be drawing more attention to training in these areas.

The largest single cause of major injuries has shifted from machine operation to injuries directly related to the transfer of machinery, materials and equipment by cranes, lift trucks and delivery service vehicles.

Claims: Donna Motley, Manager

The claim department recently underwent a third claim handling audit and again received glowing reports as to the expertise demonstrated by the staff. This audit was conducted by the insurer that provided for the loss portfolio transfer.

Through a combination of expert claim handling and aggressive attempts to fund older claims, open claim files for all claims prior to 2006 have been reduced to under 120 claims from 265 one year ago.

Sales & Marketing: Megan Brown, Director

Over 80% of the current policyholder base have received service calls since the October 18th Board meeting. While nearly everyone spoken to so far has indicated they were happy with the service they receive from MTMIC, we welcome the opportunity to serve you better. So if you have any questions, please do call.

We have targeted specific groups as prospects and are taking appropriate steps by contacting them to obtain an opportunity to quote. If you are reading this and are not an MTMIC policyholder, you are in that target group.

Holiday Notes

Last Month I recognized the celebration of a new holiday and commented on it in the November TMTA Talk issue. I was surprised to be reminded that there are other holidays located in the continuum. One of those additional holidays is generally only recognized in Michigan but changes the entire scope of the celebration.

The addition to the three month celebration (including an appropriate renaming) is "HollowHuntThanksMasYear". I am so excited by this discovery that I am overcome with holiday fervor; so much so that I almost forgot the reality that sooner or later we have to pay for it. Special thanks to one of my Board mentors for pointing out my exclusion in the original draft.

You have our warmest wishes for an enjoyable and fulfilling Holiday experience, whatever you choose to call it.

The offices of the MTMIC will be closed on December 24, 25 and 31.

(Insurance continued from Page 1)

Compliance Audit Services

The Department of Labor **requires** an up-to-date Summary Plan Description. **We provide this document at no cost.** What about OSHA, HIPAA, FMLA, WHCRA (1998), Newborn's Act (1966) and Medicare Creditable Coverage letters and e-reporting? We can provide information to assist you in being compliant with respects to the various Federal regulations that may affect you and your company.

Legislative Guides

Included with MyWaveHR®, our legislative guides provide comprehensive information about federal legislation such as COBRA, HIPAA, HIPAA Privacy, FMLA, Section 125 and Medicare Part D. We provide up-to-date e-forms that are compliant with these federal regulations.

MyWave Community

When partnering with Ralph C. Wilson Insurance Agency, our insurance arm, you can access professionals from around the country through the community section on MyWavePortal. An answer to a problem you're having is just an e-mail away.

Benefits plans not up for renewal? Contact us anyway! We can suggest low-cost and no-cost options to enhance your existing program.

Call Dennis Campbell, Senior Benefits Consultant, at 248-355-1414 or e-mail TMTA@rcwa.net.

Free Trade. Why Don't We Call A Spade A Spade?

We should rename 'free trade'. Because it isn't free and it isn't fair. Since it's trade that's regulated in favor of multinational special interest groups, why don't we call it for what it is: How about 'rigged market trade' or 'turn your back on your fellow countrymen trade' or 'throw American workers out on the street trade'. Why are we so afraid to call a spade a spade? There are 36,000 fewer U.S. factories than there were eight years ago. One in five manufacturing jobs has been lost, nationally, in the last ten years. And counting. What's wrong with calling it 'throw American workers out on the street trade'?

If we don't stem the tide of multinationalism through trade law reform, then of about 140 million U.S. jobs, between 42 and 56 million of them could be moved offshore within 20 years: all 14 million current jobs in manufacturing and 28 million jobs in the service sector. We'll be left without any manufacturing at all, which is at the core of our country's national security.

You, our members of The Tooling, Manufacturing & Technologies Association (TMTA) wonder if things will change in time. You know that most of your woes emanate from disastrous trade laws that have been written in Washington DC. You wonder if elected officials even care anymore. It's clear that members of Congress trail their constituents on the critical issues of trade reform. What it boils down to is that government, at large, is unresponsive to what you want. How long can this go on?

When the concept of 'free trade' was thought up, did the corporate-controlled multinationalists anticipate that America would cease to be a land of broadly shared prosperity? Did they know that the decimation of manufacturing was going to happen and decided to continue on this course anyway? The idea that our economy could regress to a pre-New Deal model where the rich claim all the wealth the nation creates while everyone else just gets by is...*stunning*. America wasn't supposed to be the land of 'winner take all'. What's happened to the concept of social morality?

It's been thrown out the window. The philosophy of corporate-controlled multinationalism has sold the middle class into a world where God is money and where people are viewed as a commodity to be used for profit. Greed is now virtue. People like you and me have become pawns in a money machine. The middle class is being destroyed and a new billionaire class is rapidly emerging.

Corporate greed feeds on itself and U.S. manufacturing suffers. Multinationals who drive the global economy have

distanced themselves from the social contract, no longer relying on secure employment and rising standards of living to bolster consumer spending. Corporate greed has gotten so out of hand that there is no longer a philosophical agreement, *even amongst themselves*, that *it is in their own self interest* to promote a stable society by securing the safety net. How do they justify themselves?

Here's a passage from "*Collapse: How Societies Choose to Succeed or Fail*" by Jared Diamond, a social anthropologist. He describes an American society in which "corporate elites cocoon themselves in gated communities guarded by private security, fly in corporate aircraft, depend on golden parachutes and private pensions, and send their children to prohibitively expensive private schools. Gradually these corporate elites lose their motivation to support the police force, the municipal water supply, Social Security, and public schools. *Any society contains a built-in blueprint for failure if corporate elites insulate themselves from the consequences of their own actions.*"

We have to ask ourselves the question, even in our capitalistic society, 'How much is too much'? Well, in terms of what? Answer: *In terms of everything.*

I suppose there are some who are reading this who are thinking that this article is leaning a little to the left. Well, actually, it's not. Increasingly, trade policy and the effects of multinationalism are not partisan issues. The vast majority of Republicans now have serious concerns about our current trade policies because they see these trade policies as being harmful to the middle class and working families of this country, according to a new WALL STREET JOURNAL-NBC NEWS poll. "By a nearly two-to-one margin, Republican voters believe that free trade is bad for the U.S. economy, a shift in opinion that mirrors Democrat views and suggests new trade deals could face high hurdles under the next administration." The signs of broadening resistance to globalization and a fraying of Republican orthodoxy on the economy were also reported in this page-one news story in the WSJ.

We desperately need trade reform relief out of Washington DC and we need it to come from both sides of the aisle. Trade laws that benefit multinational companies have been enacted by representatives who *we* hire, who *we* pay, who *we* expect to represent us, but they're *destroying* small manufacturers.

The morally shameful '*I-don't-care-about-you-because-I've-got-mine*' mentality exhibited by Congress and this Administration is a national disgrace. Our representatives and legislators, collectively, have been responsible for trade policy that has resulted in a cave-in of the manufacturing industry. Where are these people who were elected by us to look out for our interests? Where are these people who were supposed to be our legislative champions?

They're in Washington, alright. But a lot of the time they're not doing what they're supposed to be doing on our behalf.

Instead of being at the Capitol, you know what they're doing? They're sitting in the donut shop. But they're not eating donuts. They're feeding on complacency. Our complacency.

We let the people who we've elected sit in the donut shop of big business cronyism and collusion. We let them sit in the donut shop of the sweet deal. We let them sit in the donut shop of personal self-interest at our expense. And we continue and continue and continue to re-elect them. And we never call them on it. And I mean call them on it literally. A recent Gallup poll asked Americans if they've ever contacted their elected representatives. Eight out of 10 said that they never had. And yet, it's never been easier to contact members of Congress. All anyone has to do is click on www.house.gov or www.senate.gov and type in a zip code and they're automatically directed to their representatives. A window automatically pops up where you can type a message to them. All in all it takes less than two minutes, on average. And yet people don't do it. If people whose lives are affected by manufacturing, or health care, or any other social issues wrote their legislators and told them that they wanted trade reform or health care reform and would be watching to see how they voted, the results of that would be *staggeringly effective*.

At the end of the day, there's only one way that there's going to be any relief for all of us in manufacturing and that's through Washington DC. Most of manufacturing's problems, your problems, my problems, are as a result of bad trade laws. When the grassroots electorate of this country becomes engaged in this fight, we'll change bad 'free' trade laws into good 'fair' trade laws that will reflect the interests of small manufacturers who've been absent from trade policy deliberations far too long. By the way, that's what the Tooling, Manufacturing & Technologies Association is all about. That's what we do. We very aggressively advocate, politically, on behalf of small manufacturers, in Washington DC. The TMTA doesn't host lunches or dinners. We're not a social or networking association. We're very serious advocates for small manufacturers like you who need our association now more than ever. We confront government officials who have substantial authority, those who chair and sit on committees and sub-committees that influence trade law. We educate grassroots citizens and local opinion leaders.

We need fair trade reform and we need it now. We need to *force* our elected officials to re-do trade policies. From the ground up. And the first thing that should happen is that there should be a freeze on all new trade agreements, especially by this current Administration, until major pro-domestic producer and worker trade strategies are put in place. It's awfully clear that we're not going to get any help from this White House and that's a real shame.

Congress *must* create a National Trade Commission. Congress *must* pass currency manipulation legislation. Congress *must* address the unfair advantage caused by the rebate of VAT taxes by passing a border equalization tax. Congress has to

enact countervailing duty laws. Congress has to pass laws that standardize Rules of Origin. They have to pass laws that address infrastructure imbalances including regulatory standards and enforcement standards.

And, you know, there are others, with a lot more wisdom and experience than me saying the same thing. Listen to what Lee Iacocca has to say about all this in his new book, "*Where Have all the Leaders Gone?*" Quote. "Am I the only guy in this country who's fed up with what's happening? Where is our outrage? We should be screaming bloody murder. We've got corporate gangsters stealing us blind. The most famous business leaders aren't the innovators but the guys in handcuffs. And, don't tell me it's all the fault of right wing Republicans or liberal Democrats. That's an intellectually lazy argument and it's part of the reason that we're in this stew. We're not just a nation of *factions*. We're a *people* and we rise and fall together. I have news for the gang in Congress. We didn't elect you to sit on your butts and do nothing and remain silent while our country is being hijacked and our greatness is being replaced with mediocrity. *What is everybody so afraid of?* Why don't you guys in Congress show some spine for a change?" Unquote.

It sounds as though Mr. Iacocca is screaming from the rooftop. His emotionality stems from the apathy he sees amongst... *us*. As a result of what's happened to manufacturing, we've become stuck in 'survival mode' reflected in an unwillingness to change. Our new reality is that there is now a 'creep' in the hearts and minds of most of us in manufacturing manifested by a quiet acquiescence and a blindness to the issues that are threatening our economic survival.

So, the desperate state of manufacturing can be fixed in this country if we all decide to become involved and immersed in the problem. If we all become educated about trade reform laws and policies that affect us. If we decide to become active in letting our elected representatives know what we want them to do on our behalf and if we let them know *we're keeping an eye on them to see how they vote on trade issues*.

Because, as Mr. Iacocca said, we didn't elect Congress to sit on their butts and do nothing and remain silent while our country is being hijacked.

Right now, leading into this up-coming general election cycle, we have the real opportunity to make change. Politicians are up for election or re-election. They usually become sensitive to the wants and needs of their constituents right before an election. Rather than accepting lip-service, however, the TMTA has aligned itself with other organizations like the Organization for Competitive Markets and the Coalition for a Prosperous America, like-minded groups that are actually holding politicians' feet to the fire relative to trade reform issues. (In the last election cycle held two years ago, 15 politicians who were manufacturing-*unfriendly* and electorally vulnerable were targeted for defeat. And the 'kill rate' was 15 out of 15.) We intend to follow that model in this election cycle. Polit-

cians who have been in the pockets of the corporate-controlled multinationals are on notice. We are going to do what we can to defeat them for the sake of manufacturing.

Since January 2007, when our association went national to answer the need for small manufacturers to be represented honestly in Washington DC, we have grown from representing 21,000 member employees to now representing 50,500 member employees in 22 states. And counting. This remarkable growth shows that small manufacturers want, need, and value advocacy at the federal level. The stronger our association becomes, the more clout we have in the halls of power in Washington DC. If you, as a member of TMTA, know of another manufacturing company in your area that is not a member of TMTA, you could make a huge contribution to our efforts by asking them to join our association. We need to continue our remarkable growth. Decision-makers in Washington DC know who we are and now they make time for us when we come to see them in their offices on Capitol Hill to discuss the crisis of manufacturing in this country.

Ultimately, we're optimistic about the future of manufacturing. I'm reminded of the observation that the United States can always be counted on to do the right thing...*once all other possibilities have been exhausted.*

That's supposed to be a funny line but there's a lot of truth in it.

Brian Sullivan is Director of Sales, Marketing & Communications for the Tooling, Manufacturing & Technologies Association

Christmas/New Year Holiday Survey Results

Our sincere thanks to the 126 companies that responded to this year's holiday survey. The average number of paid days off is 3.6. We hope the results will be useful to your business.

		Open	½ Open ½ Closed	Closed Paid	Closed Unpaid
12/22	Sat	15.7%	0.8%	0.0%	83.5%
12/23	Sun	5.0%	0.0%	0.0%	95.0%
12/24	Mon	7.1%	7.1%	74.7%	11.1%
12/25	Tues	0.0%	0.0%	99.2%	0.8%
12/26	Wed	72.1%	0.0%	16.4%	11.5%
12/27	Thurs	77.9%	0.0%	8.2%	13.9%
12/28	Fri	76.9%	0.8%	7.4%	14.9%
12/29	Sat	21.4%	0.9%	0.0%	77.7%
12/30	Sun	7.6%	0.0%	0.0%	92.4%
12/31	Mon	20.2%	8.1%	57.3%	14.4%
1/1	Tues	0.0%	0.0%	98.4%	1.6%
1/2	Wed	96.7%	0.0%	1.7%	1.6%

2008 First/Second Quarter Business Trends Outlook Survey Results

Many thanks to the 114 member companies that took the time to respond to the latest Business Trends Outlook Survey sent with last month's issue of TMTA Talk. The figures in the brackets are the responses from the survey completed six months ago.

1. Describe your company's operation (no 6-month figures due to expanded categories beginning with this survey):

Tools & Dies	13%
Special Machinery	7%
Precision Machining	26%
Molds/Die Cast Dies	2%
Metal Stamping/ Fabrication	12%
Prototypes	5%
Cutting Tools	12%
Other	24%

2. How is your business now?

Excellent	06%	(03%)
Very good	22%	(14%)
Good	27%	(38%)
Fair	36%	(38%)
Bad	09%	(05%)
Very bad	00%	(02%)

3. Over the next six months, your company's business will:

Increase substantially	05%	(05%)
Increase moderately	35%	(33%)
Remain the same	49%	(49%)
Decrease moderately	09%	(10%)
Decrease substantially	02%	(03%)

4. Current average work week:

Hours per week	45.4	(44.9)
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5. Current employment:

Hourly:	30.4	(25.4)
Salaried:	07.2	(06.8)

6. Compare to one year ago your current level of business:

	Up	Same	Down
Quoting activity	43% (33%)	40% (43%)	17% (24%)
Shipments	37% (26%)	33% (41%)	30% (33%)
Order backlog	33% (28%)	34% (35%)	33% (37%)
Profits	29% (20%)	32% (41%)	39% (39%)
Employment	24% (28%)	53% (42%)	23% (30%)

Comments From Our Members

“Do not rely on Automotive for your survival. The key word...is diversify.”

Where will the future Skilled Labor come from? (cutting tools)

2007 has been a good year for us thus far. (metal stamping/fabrication)

Do not rely on Automotive for your survival. The key word for manufacturing in Michigan is diversify. (precision machining)

Fragile but surviving. (precision machining)

More tooling going to China. Need to stop trade deals. Revoke NAFTA. (tool & die)

Had some success pursuing non-automotive. Overall business is better, but not great. Needs to be great to make up for the last several years. (prototypes)

Last year we were slow from November thru May. Do not see a similar slowdown. (cutting tools)

Business was strong from July on. Expect a solid six months into 2008. Weak dollar is great for tooling. (steel service center)

We have to work for every order! (cutting tools)

Optimism is guarded! Over 95% of product is out of state. Present dismal image of Michigan government could easily effect our ability to maintain our growth! (foundry)

Raw material costs keep going sky high. (heat treating)

Let me know how I can help with the RECALLS (Republican & Democrat)! (metal finishing)

Spinning our wheels. (precision machining)

The price structure is too low. There is a diminishing amount of tool & die work domestically. A large portion of tool & die is being sourced overseas. (tool & die)

We are very fortunate. (precision machining)

Business keeps changing and business keeps getting tougher. (special machinery)

In Memoriam

It is with deep sadness and regret that we note the passing of Frank G. Schwartz, retired president of **Schwartz Boring Company** of Warren, **Schwartz Precision Gear Company** of Warren and **Conner Engineering Inc.** of Clinton Twp., on November 3, 2007 at the age of 76. Schwartz Boring Company is the second oldest member company of TMTA, joining in 1942.

Mr. Schwartz is survived by his wife of 39 years, Marie; three daughters, Julie, Debbie and Lisa; and 4 grandchildren. He was also a Naval veteran of the Korean War.

Memorial contributions can be made in his name to the Crisis Pregnancy Center or Gifts for All God's Children care of St. John Lutheran Church, 1101 W. University Drive, Rochester, MI 48307, phone 248-402-8000.

Our sincere condolences go out to his family and friends.

In Memoriam

It is with deep sadness and regret that we note the passing of George E. Wines, proprietor and president of **J.D. Plating Company** of Madison Heights, on November 20, 2007 at the age of 92.

Being active in the business for over 50 years, Mr. Wines was a lifelong supporter of the Detroit Exchange Club, the Michigan Metal Finishers Association, the Toastmasters, the American Speakers Guild and other business support groups. He was a singing enthusiast and an avid golfer.

Mr. Wines is survived by his wife, Lorado; two children, Judith and George; 10 grandchildren and 13 great-grandchildren.

Our sincere condolences go out to his family and friends.



Health News

TMTA Insurance Agency

Choose BCBSM and BCN

How and why America's health care system should change is getting national attention—in the media, movies, political platforms and other venues.

The Michigan Blues have a long tradition of caring. They were founded in 1939 by doctors and hospitals to make sure people had access to health care. Providing people with the security of knowing they have health care when they need it has been and still is the Blues' purpose.

Blue Cross Blue Shield of Michigan has been nonprofit for 68 years and is committed to staying so. Blue Care Network shares that nonprofit commitment. As a nonprofit, the Blues operates with a very narrow financial margin. Since 1990, their average income on health insurance before investment earnings and taxes has been 0.1 percent.

There are countless stories of people who, because of their coverage, get the best health care in the world when they need it and pay relatively little for everything from a visit to the doctor's office to a heart transplant. These stories happen every day.

To make sure your employees are covered or to find out how BCBSM / BCN can help your company to save money on health care costs, contact TMTA's insurance agent, Dennis Campbell, at 248-355-1414.

Blockbuster Drugs Now Available as Generic

Generic prescription drugs save you money. Generic drugs have been thoroughly tested by the Food and Drug Administration and meet the same strict requirements as the original brand-name product.

The following drugs have recently become available in generic:

<u>BRAND</u>	<u>GENERIC</u>	<u>COMMON USE</u>
Norvasc®	Amlodipine	High blood pressure
Wellbutrin XL®	Bupropion	Depression
Cipro XR®	Ciprofloxacin XR	Antibiotic (urinary tract)
Arava®	Leflunomide	Rheumatoid arthritis
Toprol XL®	Metoprolol XL	High blood pressure
Uniretic®	Moexipril	High blood pressure
Zofran®	Ondansetron	Anti-emetic (chemotherapy)
Inderal LA®	Propranolol LA	High blood pressure
Mavik®	Trandolapril	High blood pressure
Ambien®	Zolpidem	Sleep aid

Important Notice For TMTA Groups Who Participate in the Disability Program

W-2 Preparation for TMTA Groups:

- Reliance Standard Life Insurance Issues W-2's for LTD and STD policyholders
- Reliance provides the employers match and also issue the W-2's on taxable business. Reliance handles all tax filing responsibilities for the employer.
- W-2's are mailed directly to the employee. A copy is NOT sent to the employer.
- The December Monthly Case Summary Report (DICS) is your company's year-end statement. The monthly DICS reports are cumulative.
- The December DICS report is mailed the second week in January and cannot be provided sooner due to year-end corporate cut off dates.

Employee W-2 Add-On for Group Term Life Insurance Remains the Same

The Internal Revenue Service regulations state that the cost of any employer provided group term life insurance in excess of \$50,000 is taxable income to the employee covered.

The IRS has published the chart below to figure the amount to add to each employee's Form W-2:

<u>Age at the end of taxable year</u>	<u>Cost per \$1,000 of insurance per month</u>
Under 25	\$0.05
25-29	\$0.06
30-34	\$0.08
35-39	\$0.09
40-44	\$0.10
45-49	\$0.15
50-54	\$0.23
55-59	\$0.43
60-64	\$0.66
65-69	\$1.27
70 & Above	\$2.06

To illustrate, take for example an employee who has \$75,000 of group term life from January to June and \$125,000 from July to December. The employee is age 60 at December 31, 2007.

$\$75,000 - \$50,000 / 1,000 * .66 * 6 \text{ months}$	\$ 99.00
$\$125,000 - \$50,000 / 1,000 * .66 * 6 \text{ months}$	<u>\$297.00</u>
<i>Total to add to W-2 wages</i>	<i>\$396.00</i>

Make 2008 the Year to Review Your 401(k)

Each year, thousands of companies go through weeks of strenuous reviews of their health insurance, working diligently to shed 20% increases in their rates. Given the overall importance of the 401(k) to the organizations' rank-and-file, the same diligence should be practiced.

Costs

One of the most important aspects of a review should be to examine the cost of the plan against the services being provided. Offering a plan with high costs can be a major disadvantage to participants building their retirement, especially when other, less-expensive alternatives are available. Frequently, 401(k) plan providers impose "asset charges" or "separate account charges," which are added to the expense ratios of the plan's mutual funds, resulting in overall expense ratios in the range 1.60% to 3.00%. The long-term impact from higher costs is significant: A 1% lower expense ratio could, due to the long-term effects of compounding, create a larger nest egg over time.

Typically, insurance company-based plans include asset charges in addition to the internal mutual fund expenses. Generally, mutual fund companies eliminate the additional asset charges but can restrict most or all of the fund choices to that company's funds. "Open architecture" plan providers allow plan sponsors access to the funds of many mutual fund companies with no restrictions.

The plan sponsor must review the annual administrative costs for all support services, recordkeeping, administration and compliance testing, whether handled by the plan provider or a separate administrator. This "hard-dollar" cost is a direct plan expense of the company and an important part of an overall assessment of a plan.

Investments

Next, consider the importance of the quality of mutual funds. What if your current plan's investments, rather than providing average returns, provided above average returns? If the overall performance of the plan can be improved by just one percent in returns, the result is significant over time. In addition to the expenses, a fund can be evaluated on a variety of parameters: relative returns, risk versus return, management tenure, holdings, style adherence, etc.

To be assured that a plan has access to high quality funds, plan sponsors may again want to consider open architecture plan providers.

Technological Changes

Changes in technology have made the 401(k) industry more cost-competitive while providing a greater amount of information and control to plan sponsors and participants.

- Does the plan provide user-friendly telephone voice response systems and web-based interface for participants allowing them to review their portfolio and make changes to their investments free of charge?

- Does the participant site have web-based tools available to participants to help them determine how much money they will need in retirement and to offer guidance in developing their portfolios?

- The plan sponsor will have a website for plan level information. Does this site have sophisticated means of querying the database directly to secure information on plan utilization and performance?

Another important area in plan technology is payroll interface. Many plans are cumbersome in accessing payroll data. Modern plans with updated technology interface directly with the payroll provider's data with the plan sponsor having only to review the data prior to upload. The plan provider must be subject to the highest level of SAS 70, an industry-wide standard for data control and interface.

Service

The quality of service provided by the plan provider will influence whether the plan sponsor is pleased or annoyed when dealing with 401(k) matters. A plan providing excellent service can have a positive impact on the morale of finance, human resources and 401(k) plan participants.

In evaluating a plan, a plan sponsor should look at all important aspects of the plan: costs, investments, technology and service. While all are important, the most significant long-term gains will come from improvements in fund choices and plan participant level costs. When examined this way, the review of 401(k) plans and plan providers can pay off handsomely over the long run.

Freedom One pioneered the 401(k) Fiduciary Review, an expert third party analysis of your 401(k). After successfully completing over 150 reviews we are so confident that this analysis will lower your costs, benchmark your company's current plan, and immediately add value, that we guarantee its results. For more information, contact Leslie Goodwin from Freedom One, TMTA's Endorsed Retirement Provider, at 248-620-8100.

Welcome New Members!

We would like to take this opportunity to welcome the following new member to the Tooling, Manufacturing & Technologies Association:

- ❖ **International Mold Corporation of**
Clinton Twp., MI, specializing in manufacturing aluminum molds and plastic parts.

