Volume 20, #1 ✶ January 2009

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association

FROM ROB'S ROOST
BY ROB DUMONT
PRESIDENT & CEO

Quickly Out Of The Gate

As we welcome a New Year and a new Administration in Washington, we look forward to what will hopefully be better times. Many have opined that we have not yet seen the worst of what will be. I prefer an upbeat outlook and would urge you too to focus on the good we continue to have. "Accentuate the positive and eliminate the negative" as the song goes.

We continue to live in the greatest nation in the world. We are about to again witness a peaceful change in leadership; one without bloodshed and destruction. We are able to go about our business in freedom and worship or not as we choose. We enjoy freedom of speech and a free press. Many countries on this planet envy us and many of these freedoms.

Please join me in congratulating Bill Carbary and **Mol-Son LLC** of Mattawan MI for the outstanding effort they put into getting changes made to the Renaissance Zone legislation. For two plus years Bill has been travelling to Lansing, attending numerous meetings and, importantly, not giving up! The result is that on January 13, 2009 Michigan Governor Granholm signed into law what is Public Act 495 for 2008.

Accomplished during the lame duck session of the legislature and shepherded through under the watchful and very able direction of Judy Augenstein, the TMTA state legislative consultant, the Act increases the number of Renaissance Zones from 25 to 35. That is an increase of 40%! In addition companies with more than 75 employees are now eligible to apply for tax abatements.

The Chairman of the TMTA Board of Directors, Herb Trute of **T & W Tool & Die** in Oak Park MI once again joined me in my travels to Washington

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Inside This Issue

tmta Calendar of Events

January 2009

15	MTMIC Board of Directors meets at TMTA offices
19	Martin Luther King, Jr. Day Federal Holiday
20	Inauguration Day
21	TMTA Board of Directors meets at TMTA offices

Visit www.thetmta.com for detailed, up-to-date information on all events.

Health News
TMTA Insurance Agency

Blue Cross Blue Shield of Michigan

Report all Changes

It is very important that you keep accurate records and notify BCBS of any changes to your employees' records. Remember that there is a 30 day time limit to report changes and have your billing adjusted for those changes. In order to make a change retroactively beyond the 30 day time limit, the group has to submit a written letter stating the reason for the untimely remittance and then it has to be approved through BCBS's underwriting department. Approval is only granted for extreme situations. Changes include the birth of a child (you can submit the addition of a dependent without the social security number and report it later), divorces, deaths and Medicare information. If you neglect to report a change to BCBS, the employee could be responsible for bills later on.

It is a good idea to check each of your employee's personal information once a year. Verify the employee's dependents. Make an information sheet for each employee listing the names and birthdates of dependents and verify that they are still eligible to be covered. Make sure the employee's marital status is the same and verify the spouse's name and birthdate are current. Check to see if anyone listed on any employee's contract became eligible for Medicare or other health insurance coverage during the year. Have the employee sign and date the information sheet and keep it in your company's records.

Here are some basics to keep in mind:

Employer/Owner Requirements:

- ❖ Have a direct and active interest in the business;
- ❖ Report to place of business regularly—at least once a week;
- ❖ Have a direct voice in all major decisions; and
- ❖ Receive major source of earned income from the business.

Full-Time Employee Requirements:

- ❖ Work a minimum of 30 hours a week (unless approved by BCBS underwriting);
- ❖ Have payroll deductions for Social Security and federal income taxes; and
- ❖ Be eligible for all other fringe benefits.

Regular Contract Dependent Requirements:

Spouse –

- ❖ Must be legally married; or
- ❖ Domestic partner with group elected Domestic Partner Rider only.

Children – eligible until the end of the year in which they turn 19. Includes:

<u>Subscriber/Spouse Children</u> –

- ❖ Related by birth, legal adoption, or legal guardianship;
- ❖ 19 years of age or younger; and
- ❖ Unmarried.

<u>Principally Supported Children</u> –

- ❖ Related to subscriber by blood or marriage;
- ❖ 19 years of age or younger;
- ❖ Legally reside with the subscriber;
- ❖ Not Medicare eligible;
- ❖ Claimed as dependent on most recent federal income tax return; and
- ❖ Before the child is added, subscriber must submit a notarized statement verifying support for at least six consecutive months.

Coverage begins the first billing cycle date 90 days after the request is submitted.

<u>Incapacitated Children</u> –

- ❖ Must be totally and permanently disabled by reason of mental retardation or physical disability prior to the age of 19;
- ❖ Unmarried;
- ❖ Incapable of self-sustaining employment;
- ❖ Subscriber provides more than half of the child's support;
- ❖ Reported as dependent on the subscriber's most recent federal income tax return; and
- ❖ Disability must be certified by a physician.

The child can stay on the subscriber's regular coverage beyond the age of 19 providing BCBS/BCN is notified by the end of the year in which the child turns 19.

Medicare Coverage:

Medicare does not automatically know if there is other health care coverage and BCBS does not automatically know if there is Medicare coverage. The employee MUST report Medicare coverage changes. To know which coverage is primary and which is secondary, we must know why the person has Medicare (due to age, disability or End Stage Renal Disease); is the employee actively working or retired; and how many employees (full and part-time) are on the employer's payroll. It is important to establish primary and secondary coverages to ensure that claims are properly paid. Submit a copy of the person's Medicare card when reporting the change along with the above information.

If you have any questions about reporting changes or coverage eligibility, contact Elaine at 248-488-0300, ext. 1309.

An EPI Issues Forum

Once touted as a magic elixir that would lift the world's economies and create opportunity for American workers, free trade was embraced by U.S. leaders from both parties who entered into a succession of agreements that lowered tariffs while protecting corporate interests.

China's entry into the World Trade Organization in 2000 accelerated the changes wrought by this new approach and exposed its fundamental flaws. The benefits were skewed toward the already-affluent, while working families shouldered the burden of free trade's considerable downside: millions of lost jobs, stagnating or falling wages, and U.S. products increasingly disadvantaged in the world marketplace.

Now at a time of broad political change, the existing trade regime is being questioned by a growing number of economists and political thinkers. Notable among them is the former top Clinton administration official for China trade, Robert Cassidy, who is now speaking out against the signature trade agreement he helped to negotiate, which paved the way for China's accession to the WTO.

Please join the Economic Policy Institute for a conversation about where we are, how we got there, and what the new administration should do differently to correct the errors of the past two decades and redefine a new, better approach to global trade.

PRESENTER: Robert Cassidy, Assistant U.S. Trade Rep for Asia and China during the Clinton Administration

RESPONDENT: Thea Lee, Policy Director and Chief International Economist, AFL-CIO

MODERATOR: Robert E. Scott, EPI Sr. Economist and author of research on the costs of free trade

Tuesday, January 27, 2009, 9:30 a.m. to 11:30 a.m.

Economic Policy Institute
1333 H Street, NW, 3rd Floor
Washington, DC 20005

For information & to RSVP visit **http://dia.epi.org/t/6837/event/index.jsp?event_KEY=47139**.

Maintaining Your Flat Roof

When most building owners think of building maintenance several things may come to mind, such as, landscaping, painting, mechanical; but very few have roofing on their list. After all, roofs are not something you really see everyday. You may notice the peeling paint, the worn carpeting or the unkempt flowerbed before you would ever notice the blisters in your roof—at least not until the roof leaks. It's a common misconception that you can put on a new roof and then forget about it for the next 15-20 years. Even new roofs should be maintained annually. Regular roof maintenance can postpone the replacement of a roof for 5-10 years. At a cost of $6-$10 per-square-foot for a new roof, that is a big expense you don't want to incur anytime soon. So here are the answers to some common questions about roof maintenance:

1. **What type of maintenance needs to be performed on my flat roof?**

   Different roofing systems may have different maintenance needs. In general, the roof's drains and gutters should be checked once a quarter to make sure they are not clogged with debris. The flashing around walls, curbs and any type of roof penetrations should be looked at for any holes or open joints. The field of the roof should be checked for any blisters or open seams.

2. **My roof is new, why do I need to maintain it?**

   Most roofs that have defective materials or poor workmanship will start to show signs of failure within the first 2 years it is installed. That is why most roofing contractors offer a 2 year contractor warranty. Also, if a drain is plugged, the water could pool on the roof and cause leaks around roof penetrations and flashings, not to mention the extra weight of the water on the roof could cause a cave-in.

3. **My roof is under warranty with the material manufacturer, why should I maintain it?**

   Read the warranty's fine print. All roofing manufacturers' warranties require annual

(Maintaining Your Roof continues on Page 8)

From the Desk of Gary Wood
COO, MTMIC

Here we go again! 2009 is already on us and how many of those New Year's resolutions have already been broken?

January 2009

This year the MTMIC has had the great fortune to work with the Michigan Plastics Processors Association Workers' Compensation Fund (MPPA) as they took the steps necessary to close down the operation of their workers' compensation fund. The MPPA chose to take this step not because there was a problem with the group; they chose to shut down the operation in an orderly fashion while they were financially sound. The claims remaining from their years in operation are being paid by their old service company while MTMIC has taken over that responsibility for their policyholders that chose to move their coverage to MTMIC effective January 1, 2009.

We have worked side-by-side on numerous occasions with this group over the years and we are privileged that they felt secure enough with the operation of MTMIC to entrust endorsing us to their members. It appears a majority of the group has moved their business to MTMIC.

We will have some changes in our staffing as this group becomes homologated into our system. There are two employees from MPPA that will be on board in January. That staff will be working with the former MPPA members and our staff to provide a transparent and hopefully seamless transition. We welcome their participation and hope you will also welcome them as they will have increasing contact with our group as we make them a part of our operation.

We are looking forward to a productive year even though we are anticipating that payrolls and employee counts will be down as the predicted economic slump is realized throughout the state. When we asked for payroll estimates in September and then used those estimates to provide renewal quotes for the January 1, 2009 renewals, we received numerous request for payroll revisions due to predicted trends in decreasing manufacturing activity. Of course, predications are just predictions and it could just as well be that the economic stimulus plans touted by Washington will have a positive effect and all will be well. I hope that the latter is true; we need to keep the economy of Michigan going if we are to save the United States manufacturing base.

MTMIC Board

We welcome Dennis Haller (**Haller International**) as our newest Board member. We also want to acknowledge the long term participation of Richard Smith of **Wolverine Bronze** for his many years of service and hope that in the future he can find the time to again serve on the Board. Mr. Smith was presented with a commemorating plaque at the December 18 meeting.

The first Board meeting of 2009 will be on January 15 (the Board continues to meet on the third Thursday of each month). The Board will elect new Officers at the January meeting; the offices to be filled are President, Vice President, Treasurer and Secretary.

Loss Control Reminder

The loss control staff has requested that I provide the following notice to our policyholders, please take notice of this changing requirement:

MIOSHA has revised the medical services and first aid requirements in Occupational Health Standard Part 472 Medical Services.

The significant changes from past enforcement provisions are outlined in the executive summary provided below. For further information or questions, contact the MIOSHA Consultation Education and Training Division at 517-322-1809.

Medical Services and First Aid for General Industry and Construction Executive Summary

In October 2008, MIOSHA adopted Agency Instruction, MIOSHA STD-08-3 to provide clarifications to ensure uniform enforcement and interpretation of medical services and first aid requirements in Occupational Health Standard, Part 472. Medical Services and First Aid

(for General Industry) and Construction Safety Standard, Part 1. General Rules. These changes adopt OSHA requirements for response times. Below is a summary of the major changes and clarifications.

General Industry

Near Proximity

- "Within 10 minutes travel time" is changed.
- Three-to-four minute response time is required in areas where serious accidents may occur. Examples: fall, electric shock, amputation, or severe chemical exposure.
- Maximum 15-minute response time is acceptable in other circumstances where life-threatening injury is unlikely. Example: low hazard workplace such as an office.

All Other General Industry Standards with First Aid Requirements: Employers with an infirmary, clinic or hospital in "near proximity" are considered to have met first aid equipment, supplies, and treatment requirements for that location.

Citation Guidance: The instruction includes five elements to consider when evaluating an employer's effort to address first aid or medical treatment. A new consideration is the employer's efforts to identify emergency medical services and availability for all times of the day when employees are working. Response times for treatment must be planned taking into consideration normally anticipated delays such as auto or train traffic. Plans for response time must be reevaluated when conditions change.

Employers in compliance with prior criteria shall not be issued a citation for non-compliance with the new near proximity criteria until after January 1, 2009.

The Board and staff extend our gratitude for your continued support of the MTMIC and hope you recognize that we take great pride in the product and services we provide to the policyholders. If you have any questions or comments about workers' compensation coverage, please contact us at 248-488-1172. If you have any complaints, call me (Gary Wood) direct at extension 1316.

~Have a Happy and Safe New Year~

MTM
Manufacturing Technology Mutual Insurance Company

WELCOME
NEW TMTA MEMBERS

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

- **Penn United Technologies, Inc.** located in Cabot, PA, they specialize in precision tooling & machining, precision stamping & electroplating, precision tungsten & silicon carbide components & parts, and Parker Majestic machines.

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82–84	1967	57–59
Nov 2008	**207.296**	**617.472**	**718.11***
Oct	212.182	632.025	735.04*
Sept	214.935	640.226	744.58*
August	215.247	641.155	745.66*
July	216.304	644.303	749.32*
June	215.223	641.082	745.57*
May	212.788	633.830	737.14*
Apr	210.698	627.606	729.90*

CPI-U All Urban Consumers

Month	82–84	1967	57–59
Nov 2008	**212.425**	**636.332**	**740.04***
Oct	216.573	648.758	754.49*
Sept	218.783	655.376	762.19*
August	219.086	656.284	763.25*
July	219.964	658.915	766.31*
June	218.815	655.474	762.30*
May	216.632	648.933	754.70*
Apr	214.823	643.515	748.40*

Note: November 2008 CPI-W represents a 0.7% increase from one year ago; CPI-U a 1.1% increase.

* Base Year 1957–59 is no longer released. BLS has issued the following conversion factors from the 82–84 year:

CPI-W — .2886674 CPI-U — .2870447

Legislative Update

By Judy Augenstein, Legislative Consultant, Lansing

The 2008 legislative year ran a little smoother than the bruising tax/budget battle of 2007. But the national recession and deteriorating financial health of manufacturing may bring even more difficult challenges in 2009. An alternative energy package which included mandated Renewable Portfolio Standards (RPS) by 2015 was passed into law. Before adjourning their two year session, lawmakers approved a slew of bills ranging from the expansion of Detroit's Cobo Center, home of the North American International Auto Show, to a clampdown on illegal 10 cent beverage container redemptions.

Senate Bill 1483, sponsored by Senator Jason Allen, R-Traverse City, was amended to include SB 680, sponsored by Senator Randy Richardville, R-Monroe. The bill amends the Tool and Die Renaissance/Recovery Act to allow companies with over 75 employees to apply for tax abatements. During a lame duck session new deals are made, done deals fall apart and just about anything and everything happens—as evidenced by the passage of SB 1483. It is always important to stay alert, be present and take a negative situation and turn it into a positive which we did during the lame duck legislative session.

Efforts to repeal the surcharge on the Michigan Business Tax will be reintroduced and other MBT "fixes" will be sought in 2009. Road/gas tax proposals will be reintroduced. Changes to how the state collects its fuel taxes (swap the current 19 cent gas tax and 15 cent diesel tax in favor of an 18 percent tax for both at the wholesale level), driver registration, license fee increases and local gas tax options are key components to the plan being debated.

The competition to get our position known and moved forward has gotten more difficult in Lansing since the term limit law was passed. The term limit law has required lobbyists to spend more time educating legislators in an effort to build credibility and access. By the time term limited legislators learn the process and begin to trust us they are term limited and we have to start all over again. This year we are faced with introducing 46 new House members to our goals and issues. A daunting task. The Senate was not up for election in 2008. House members are elected for two years, senators are elected for four years. House members are allowed three two year terms, while senators are allowed two four year terms under the term limit law.

Law Affects Required Minimum Distributions for 2009

On December 23, 2008, President Bush signed the Worker, Retiree, and Employer Recovery Act of 2008 (the Act) into law. The key provision in the Act is designed to help alleviate the financial burden facing seniors who have seen their retirement savings shrink dramatically by waiving the Required Minimum Distribution (RMD) for 2009. This affects retirement plans that hold each participant's benefit in an individual account, such as 401(k) plans, 401(b) plans, certain 457(b) plans and Individual Retirement Arrangements (IRA).

Participants are generally required to begin receiving distributions from the plan by April 1st of the year following the later of the calendar year during which the participant attains age 70-1/2 or, if the participant is not treated as a 5% owner, retires from employment under the plan. Although the first RMD is due for the year during which the participant attains age 70-1/2 or retires, the rules allow for a grace period until April 1st of the following year to make the first distribution. This participant generally receives two RMD in the first year—one by April 1st as the RMD for the prior year and another by December 31st for the current year.

Due to the drop in most participant retirement account balances as a result of the 2008 market downturn, taxpayers argued that a RMD made based on account balances as of December 31, 2007 would result in excessive depletion of retirement assets based on account values that no longer exist. It was too late in the year for Congress to provide relief for RMDs to be paid during 2008 based on 12/31/07; however, the Act provides relief from RMDs for 2009.

No Required Minimum Distribution is required for calendar year 2009 from qualified retirement plans and IRAs. The suspension is for one year. The 2010 Required Minimum Distribution is still required.

The relief only applies to the RMD for 2009. A participant whose first distribution is year 2008 and who would normally receive his first RMD for 2008 by April 1, 2009 must still receive that initial minimum distribution. A participant whose first distribution is year 2009 and who would normally receive his first RMD for 2009 by April 1, 2010 is not required to receive that distribution. However, no relief is provided for the RMD for 2010 and that distribution must still be made no later than December 31, 2010.

If a beneficiary is receiving distributions over a 5-year period, he can now waive the distribution for 2009, effectively taking distributions over a 6-year rather than a 5-year period.

If a participant receives a distribution in 2009 (that is not a RMD for 2008), he will receive an eligible rollover distribution. The participant must still include any previously untaxed portion of the withdrawal that is not rolled over in his gross income for tax purposes.

For more information, contact your retirement provider. Freedom One is the preferred provider of retirement plans for TMTA. Contact Lesley Goodwin at 248-620-8100.

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where, in the company of Dave Frengel of new member company **Penn United** of Cabot PA and others, we met with the Commerce portion of the Obama transition team on January 7/09. The team was led by Donald S. Beyer, former Lieutenant Governor of the State of Virginia. We had a very good hearing and have developed a meaningful contact with an influential department of the U.S. government. My thanks to both Messrs. Trute and Frengel for attending and for their very important input and perspectives. I can not over emphasize the impact that results from having the front line manufacturer attend such a meeting. As it was said; "They have first hand knowledge of what happens where the rubber meets the road!"

Previously I have invited members to add their support to the Fixing America's Economy Joint Statement and some have done so, my thanks to you if you are one! The document can be viewed via a link from the TMTA website. Be assured that should you decide to add your support no one will be contacting you for financial support or any other bothersome reason. You may view the list of signatories by visiting **www.fixingamericaseconomy.org**.

I have presented the Joint Statement and the list of signatories to numerous offices on the Hill in DC and in each instance the signatories have obviously impressed and carried weight. Members do look for signatories from their home district.

With the new crop of members converging on the Hill, I will be quite busy in the near term visiting and getting acquainted. These contacts are very important as new members bring with them an enthusiasm and desire to learn that will all too soon be dulled. First impressions are lasting and I want to get in and state our case early on so we can have a hand in molding their view of the manufacturing scene, its needs and difficulties.

TMTA Endorsed Service Providers

Manufacturing Technology Mutual Insurance Company (MTMIC)
(workers' compensation program)
Provider contact:
Gary Wood 248-488-1172 ext. 1316

Reliance Standard/Ameritas
(life/dental insurance programs)
TMTA contacts:
Dennis Campbell 248-488-0300 ext. 1313
Stella Krupansky 248-488-0300 ext. 1310

Blue Cross Blue Shield/BCN
(health insurance program)
TMTA contacts:
Dennis Campbell 248-488-0300 ext. 1313
Elaine Burger-Laskosky 248-488-0300 ext. 1309

Federated Insurance
(property & casualty insurance program)
Provider contact:
John Medo 800-428-4143

Freedom One Financial Group
(401(k) retirement program)
Provider contact:
Lesley Goodwin 248-620-8100

John M. Packer & Associates
(unemployment cost control program)
Provider contact:
Nathan Wiest 800-482-2971

Custom Telecom
(phone/communications programs)
Provider contact:
Kathy Schaumburger 866-332-1200

Schena Roofing & Sheet Metal Co., Inc.
(commercial/industrial roofing contractor)
Provider contact:
586-949-4777

TMTA receives a benefit from its Endorsed Providers when you, as a member, patronize them. This is one way we are able to maintain the level of dues.

In Memoriam

It is with deep sadness and regret that we note the passing of **Arthur Vandervelde**, co-owner and pattern maker for **Modern Age Pattern**, on November 1, 2008 at the age of 58. He is survived by his wife, Sylvia; sons Chris and Eric; and 5 grandchildren.

Mr. Vandervelde was an avid outdoorsman and motorcycle enthusiast. He was a lifetime member of the NRA, the Black Creek Regulators and past member of the International Association of Machinists. He was a great guy to talk to who always had a smile on his face. He will be missed by all who had the pleasure of meeting him.

Our sincere condolences to his family and friends.

In Memoriam

It is with deep sadness and regret that we note the passing of **Mary Lyons**, president and owner of **Lyons Tool & Engineering**, on December 8, 2008 at the age of 92. She is preceded in death by her husband of 53 years, William, and son David Allan. She is survived by her son William John, M.D., six grandchildren, and 2 great-grandchildren.

Mrs. Lyons taught for many years in the Detroit Public Schools while raising her children. At the death of her husband in 1991, she began a second career assuming the presidency of the company he started in 1956, Lyons Tool. She was awarded an honorary Doctorate of Business Administration from Madonna University in May 1996 for her achievements in business.

She was a generous supporter of De La Salle Collegiate High School, Madonna University and Orchard Lake Schools; she participated in the American Polish Engineers Association, the Friends of Polish Art, and the Friends of the Cardinal and Archbishop of Detroit. She will be missed by all who knew her.

Our sincere condolences to her family and friends.

(Maintaining Your Roof continued from Page 3)

maintenance of the roof or they could void the roof's warranty.

4. **Who should maintain the roof?**

   The building maintenance personnel can make sure the drains and gutters are free of debris. However, a professional, qualified roofing contractor should perform annual maintenance on the roof to check for problems that most people may not recognize and ensure that all manufacturer warranty requirements are met.

Don't wait until your roof leaks to have it evaluated. The best way to stay on top of your roof is with a preventative roof maintenance contract. The cost of the maintenance contract is minimal in comparison to the cost of replacement. Schena Roofing has been offering maintenance contracts for over 25 years. We have a variety of plans that are tailored to your roof's needs. Sign up before March 31 and we will offer all TMTA members a free basic evaluation in the spring (a $500 value). For more information, call Anthony Schena, vice president of Schena Roofing & Sheet Metal Co. at 586-949-4777.

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