

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association



FROM ROB'S ROOST
By ROB DUMONT
PRESIDENT & CEO

The Ides of March!

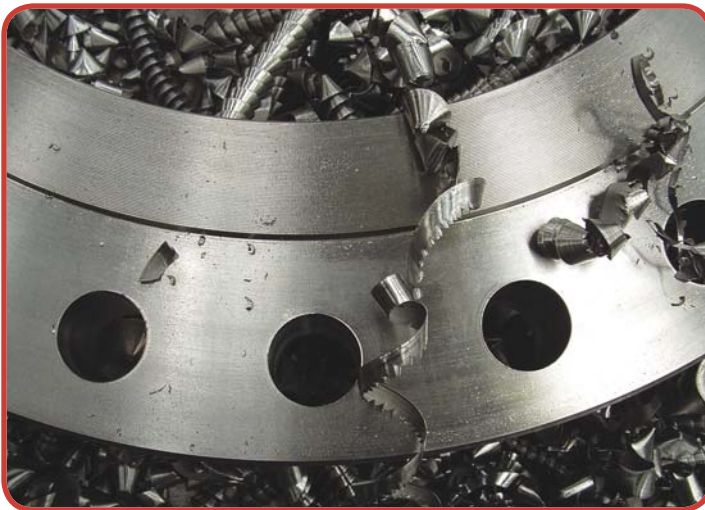
It was George Bernard Shaw who once said "If all economists were laid end to end, they would never reach a conclusion". That observation might well fit the profession of politics as well. I remain certain

that our efforts in DC are having an impact and are gaining momentum.

My most recent trip to the Hill was made in company with several of our member companies: Bruce Cain of **Xcel Mold**, North Canton, OH; Burl Finkelstein of **Kason Industries**, Newnan, GA; Bill Jones and David Frengel of **Penn United**, Cabot, PA; Joe McGlynn of **Campbell Fittings**, Boyertown, PA; Melissa Millhuff, Executive Director of member **American Mold Builders Association**, Roselle, IL as well as several other companies that will hopefully soon be TMTA members.

It is most helpful to attend with representatives of member companies. You are the people who have the first hand knowledge of what is going on in the

industry and can tell those we meet with of actual experiences visited upon manufacturers by current trade and economic policies and, importantly, discuss 'fixes'.



Visiting new members of Congress early in their tenure

and establishing relationships with staff is important and will yield dividends in both the near and long terms. There are a lot of new members and I intend to attend upon each and every one in addition to continuing ongoing dialogue with others I have previously met.

I am very pleased to see that more of our members are reaping the benefits to be had by patronizing our Endorsed Service Providers. You may have

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tmta Calendar of Events

March 2009

18	TMTA Board of Directors meets at TMTA offices
19	MTMIC Board of Directors meets at TMTA offices
20	Vernal Equinox - First Day of Spring

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

Personnel Available:

To request a resume, call Elaine at TMTA at 248-488-0300, ext 1309, or visit our website at www.thetmta.com and click



on the Resume Postings icon at the bottom of our homepage.

Program Administrator seeks position utilizing experience in leadership, problem solving, purchasing support and supplier management. A detail oriented, self starter with excellent communication skills and a track record of completing sensitive projects on time and within budget.

Ask for Resume **#090301**.

CFO/Treasurer seeks position utilizing background in financial analysis with strong emphasis in manufacturing and management. Experienced in international negotiations and all financial operational aspects of a corporation.

Ask for Resume **#90201**.

Senior Sales Executive educated in mechanical engineering and a career focused in the global automotive industry seeks position utilizing experience that spans from production supervision in a union environment, through hands on engineering and product design, to sales and executive management.

Ask for Resume **#90202**.



The Government Stimulus Package Big COBRA Changes

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act of 2009 (Act). The Act includes provisions that expand the COBRA requirements of employers subject to COBRA laws. The employers affected by the Act need to take immediate action to comply with the new provisions that became effective March 1, 2009.

Basically the Act provides that if an eligible individual is involuntarily terminated from employment (for reasons other than gross misconduct) between September 1, 2008 and December 31, 2008, and does not have income in excess of statutory limits (\$145,000 individual, \$290,000 joint filers), the individual may elect COBRA coverage and will be responsible for paying only 35% of the applicable COBRA premium with the employer paying the remaining 65% which the employer can then recoup from the federal government. That being said, here are some specifics of the Act.

Which Employers are affected? The Act applies to all COBRA-eligible group health plans sponsored by an employer with the exception of health flexible spending accounts offered under a cafeteria plan.

Who are Assistance Eligible Individuals (AEI)? Qualified beneficiaries (the employee and/or family members) who had or have a COBRA qualifying event due to involuntarily terminated (for reasons other than gross misconduct) between September 1, 2008 and December 31, 2009, and who either previously elected continuation coverage or elect such coverage during the special election period, may be eligible for the COBRA premium assistance subsidy.

Individuals with an adjusted gross income exceeding \$145,000 per year (\$290,000 for joint filers) are not eligible for the COBRA premium assistance and assistance is phased out starting at \$125,000 for individuals and \$250,000 for joint filers. Individuals who receive COBRA premium assistance during a year in which they exceed these income limits will be required to repay the subsidy (or a portion of it) as an additional tax on his/her individual income tax return for the year in which the subsidy was provided. Thus, employers and COBRA administrators are not required to verify an AEI's income.

What is the Special Election Period? The Act includes a special election period for all AEIs. Employers must offer all individuals involuntarily terminated from September 1, 2008 through February 16, 2009 who did not elect COBRA when it was first offered, or who

did elect COBRA but are no longer enrolled (for example because they were unable to continue paying the premium), a special election opportunity. This special election period begins on February 17, 2009 and ends 60 days after the plan provides the required notice. Employers are required to send special election notices within 60 days after the enactment of the Act, or by April 17, 2009.

The Act does not provide that coverage will be reinstated retroactively to the date of the qualifying event and it also does not extend the individual's maximum COBRA coverage period (generally 18 months from the date of the employee's involuntary termination). COBRA coverage elected in this special election period begins with the first period of coverage beginning on or after February 17, 2009. For group health plans using calendar months as the period of coverage, the COBRA coverage applies beginning March 1, 2009. Assistance is not available on a retroactive basis; only future months of coverage will be eligible for the subsidy.

Individuals who already elected COBRA on or after September 1, 2008 are entitled to COBRA premium assistance and must receive a notice of their right to that assistance. Since it is unlikely that an employer will be able to timely notify all eligible individuals by March 1st, the Act provides that the full cost may continue to be collected for one or two months. Afterwards, the employer must either refund the subsidized portion within 60 days or in some cases may credit the subsidized portion of the cost against future premiums.

The Department of Labor will develop a model notice by March 19, 2009 for employers to use. Failure to provide notice could subject the employer to a penalty of up to \$110 per day under ERISA and an excise tax of \$100 per day per notice (up to certain limits) under the Internal Revenue Code.

What is the COBRA premium assistance provided? The Act provides that the AEI pay 35% of the total COBRA premium, which the employer must accept as payment in full. The employer will subsequently be reimbursed by the government for the additional 65% of the premium paid through payroll tax credits.

When does the COBRA premium assistance end? The subsidy ends on the earliest of: the date the AEI becomes eligible for coverage under any

other group coverage or Medicare; the date the coverage period would otherwise end (ex: the individual fails to pay or COBRA continuation ends); or 9 months after the first day of the first month to which the subsidy applies.

It is the AEI's responsibility to notify the plan providing COBRA coverage in writing that he/she has become eligible for insurance under another group health plan or face a penalty of 100% of the subsidy provided after the date he/she became eligible under the new plan. Note that the subsidy is only available to the employer after the AEI has paid his/her 35% share, therefore, there is no penalty if the AEI simply stops paying for coverage.

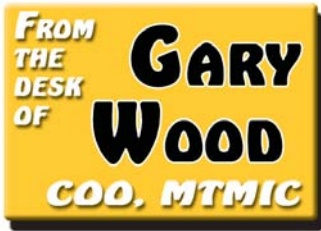
How does an employer receive reimbursement from the federal government? An employer is entitled to apply the amount of premium assistance it pays as an offset against its payroll taxes. To claim the offset, the employer claims the credit on Line 12a of their January 2009 revised Form 941. In addition, the number of individuals provided COBRA premium assistance is reported on Line 12b. The premium subsidy and the related credit for the employer apply only after the individual has paid his/her 35% premium. If the premium assistance paid by the employer exceeds the employer's payroll taxes, the employer can apply it to the next return or will be entitled to a refund from the government. Revised Form 941s will be sent to employers beginning in mid-March or is available from the TMTA website at www.thetmta.com.

The employer must also maintain supporting documentation for the credit claimed. This includes:

- Documentation of receipt of the employee's 35% share of the premium;
- A copy of the invoice or other supporting statement from the insurance carrier and proof of timely payment of the full premium to the insurance carrier; and
- Declaration of the former employee's involuntary termination for each covered employee.

What are the Notice requirements? Employers must provide notice about the premium reduction to all individuals who have a COBRA qualifying event during the period from September 1, 2008 through December 31, 2009, whether they have COBRA

(Health News continues on Page 8)



Well, this is a fine mess!

I read the rest of the world is upset with the United States because we have moved from a society that spends 3 or 4% more than we make to saving 3% of what we make! Shame on us for not living up to their expectations.

Since the only way you can spend more than you make is to borrow the difference, it seems highly unlikely that we could have maintained our consumerism tendencies forever.

The general public started down the path to financial distress by borrowing against our homes. When the home equity dried up we started to live off our credit cards. Soon, since you will recall we were spending more than we make, the banks inevitably got involved in a bothersome way by calling equity lines and canceling credit cards.

Now we have no source of funds to continue our consumer based mindset. Because we have been led down this path for so long we are sort of stymied by the present and future dilemma of how to shore up the house of cards, we seemingly don't know what to do.

How did we get here? Was it because we listened to the two superfluous sides in the political battle taking round house swings at each other's fiscal positions while we sank into deeper economic strife? What happened to the role of regulators in overseeing the process?

Were we supposed to be protected from the predatory practices that have taken place by the government we elected to do so? If they did not know enough to stop the problem, how are they going to know enough to fix it?

While I am not an economist I have honed the belief that all of the nonsense which has occurred over the last 12

years at all levels of the economy was in effect sanctioned by the government. It appears that soon we will be re-deposited on the economic doorstep of 1994 or 1995. How will we survive if the Dow goes to 5000? If you recall the mid-90's, we didn't know what we were missing.

What I like about the people of the United States is that we can usually take a gigantic mess and make it into something palatable. I have great faith that we can do just fine if we are given the opportunity to fix this mess and the regulatory oversight to stop the thieves among us from doing it to us again.

Don't give up yet, but don't wait around for someone else to make everything right. This is going to take some time and work to get it fixed. Maybe next time we won't be sucked in by the promise of unrealistic profits and gains in a market built on speculation and the spending of other people's money.

MIOSHA

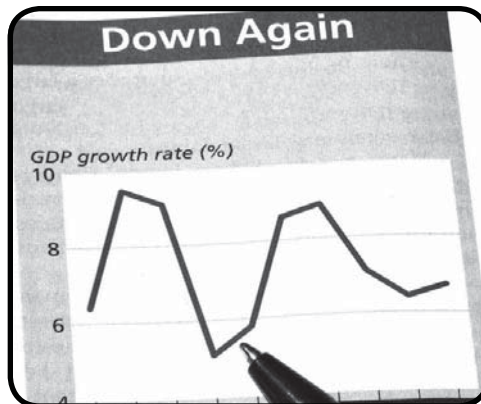
MIOSHA Form 300A is required to be posted in your facility from February 1 through April 30 every year. Even if you have no injuries or illnesses you must still post the form with zeroes entered in the total lines. This form can be downloaded from a link on the MTMIC website (MTMIC.com) or it is also available on the Loss Control CD.

Employers with 10 or fewer employees in certain industry groups may be exempt from displaying the forms, but unless you are in retail, finance, insurance, real estate or some service industries make sure you display the form or you could get fined. You should note that even if you are exempt from some of the recordkeeping requirements, you are not excused from compliance with applicable safety and health standards.

MIOSHA Notifications are required by law to be made within eight hours of when you have a fatality or any hospitalization of three or more employees suffering injury or illness from an accident. The Fatality & Catastrophe Hotline, 800-858-0397, is available 24/7 to report these types of accidents.

POSTERS

The MIOSHA required posters are again available with the 2009 updated postings. This year we mailed the posters to your primary contact; be sure to ask your loss control representative for your state and federal posters



if you have not received them in the mail. NOTE: The updated posters have 1/09 in the lower right corner under the MTM logo.

These posters are still free to policyholders of MTMIC, but they cost as much as \$65 a set if you buy them from an office supply store or mail order.

If you have any questions about your safety program, contact your loss control representative or Ray Duff, the Loss Control Manager.

2008 PAYROLL AUDIT

The payroll audit is well under way for the 400 plus January renewal policies. The audit is performed as a contract service through a company known as Aprise. When you receive their call, please take the time to schedule the audit and be available when they get to your office. We have to pay extra if the audit is delayed or if they have to make a subsequent trip. The extra cost of follow-up work cannot be passed on to the offending policyholders and is a shared cost of all policyholders.

2009 PAYROLL ESTIMATES

The Board has agreed to permit midterm payroll estimate adjustments as the result of the current economic hardships we are all seeing. If you wish to amend your payrolls for 2009, please contact our staff with your revisions.

MARCH

There are at least three things about March that you don't find in any other month. Daylight savings starts, spring begins, and we celebrate St. Patrick's Day. Every year you get to enjoy the first two and endure the third which is annually commemorated by my favorite Joke.

Officer O'Shaughnessy stopped a weaving vehicle on a side street in Dublin. The driver, Sean O'Malley, seemed shocked and relieved when the Officer told him Mrs. O'Malley had fallen out the passenger's door when he made a turn two kilometers back.

"Thank God" said Sean, "I thought I'd gone deaf."

~Make Safety A Company Goal~



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

- ❖ **INCOE Corporation** located in Troy, MI; they specialize in special tooling (hot runner systems) for plastic injection molding. Visit their website at www.incoe.com.

Inflation Talk

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Jan 2009	205.700	612.719	712.58*
Dec	204.813	610.075	709.51*
Nov	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 2008	215.223	641.082	745.57*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Jan 2009	211.143	632.491	735.58*
Dec	210.228	629.751	732.39*
Nov	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 2008	218.815	655.474	762.30*

Note: January 2009 CPI-W represents a -0.5% increase from one year ago; CPI-U a 0.0% 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

F Y I **FOR YOUR INFORMATION**

Both the **TMTA 2009 Annual Hourly Wage Survey** and the **2009 Annual Salary Wage Survey** are being mailed out to all member companies in mid-March. Your company's completed data must be returned to TMTA no later than Monday, April 20, 2009.

Remember, as always, only those member companies who participate in the surveys will be entitled to receive the respective survey results.

Please take the time to fill out these important surveys. TMTA has sought to maintain records on wage information since the Association began. The information we maintain is only as useful as the data we receive from you.

If you have any questions about either of the surveys or do not receive yours, contact Ron at (248) 488-0300 ext. 1306 or e-mail to ron@thetmta.com.

TMTA members once again have an opportunity to receive a free benchmarking report from the Performance Benchmarking Service group.

This free offer is being made to only 10 national industry associations and TMTA is pleased to be one of those associations. By completing and returning a questionnaire downloaded from the TMTA website by April 10th, members will receive their free, confidential, customized report in May 2009.

For more information, see the flyer enclosed with this edition of TMTA Talk or visit our website at www.thetmta.com.

Michigan's Governor Granholm has **launched a new online business website that is designed to help small business owners** start, manage and grow their business.

Called Michigan Business One Stop, it allows owners to apply for permits, get licenses and renew them, pay required state fees, file annual reports, and pay unemployment taxes. New (and existing) businesses will find a resource center filled with guides, tools, and links to support organizations and government opportunities in Michigan.

Visit the website at www.michigan.gov/business.

LEGISLATIVE UPDATE **By JUDY AUGENSTEIN,** **LEGISLATIVE CONSULTANT, LANSING**

In her sixth State of the State address, Governor Jennifer Granholm prompted reluctant Republican legislators from their seats to embrace nearly \$2 billion in programs paid for through refinancing, bonding, securitization and investments. "If there's one thing we showed the people of Michigan in the last year, it is that we know how to fight," Granholm told the legislators. "Now we need to show them that we can fight for them. Together." Granholm urged the Legislature to join her in a new era of cooperation. After an uncomfortable pause, legislators slowly stood in applause. She plans tax credits for companies adding jobs and using state pension funds to invest in Michigan based companies. She hit the cooperation angle again, noting that any new program she introduces this year could be paid for without new taxes or fees. "I say we will win these jobs for Michigan and replace the lost manufacturing jobs with a whole new, growing sector. You on it?" Again, her call was met with hesitation. This time she jumped on it. "Come on! Maybe I have more explaining to do." Legislators then gave her a standing ovation. Governor Granholm outlined her alternative energy plan.

She recommended that a percentage of power come from renewable energy sources (renewable portfolio standard or RPS). That energy efficiency legislation is required and reform of PA 141, the state's electric choice law is needed. She wants 10% of the state's electrical energy be derived from renewable sources by 2015 and 25% by 2025. Other aspects of her alternative energy proposal includes removing the state's gasoline tax from fuel purchases of ethanol and bio-diesel fuels. Creating "Centers of Excellence" to bring alternative energy companies and universities together to create new products and jobs; and enacting tax incentives for companies in the alternative energy sector to get their suppliers to also locate in Michigan.

Granholm introduced her plan to carve up large, chronically low-performing schools into independent, 400 student high schools. She suggested the Legislature give the Superintendent of Public Instruction the power to close schools that consistently fail to graduate students and prepare them for the 21st Century. Other education reforms include raising the drop-out age to 18, putting more money into early childhood education, and proposing more money for the No-Worker-Left-Behind program.

The Senate Economic Development and Regulatory Reform Committee has reported out SB 680, sponsored

by Senator Randy Richardville, R-Monroe. The legislation was requested by TMTA. The bill increases from 25 to 40 the number of tool and die renaissance recovery zones. It allows companies with 75 or more employees to participate in the Tool and Die Renaissance/Recovery Zone Act as long as they negotiate a payment in lieu of taxes for public safety and fire protection services. Speaker Andy Dillion, D-Redford Township, plans to introduce legislation to assist tool and die companies. The bill will include establishing a "tooling fund." The basic concept is that tool and die companies could sell their tools to a separate fund and then lease the use of that tool as a way to free up capital to grow their businesses. His bill could include removing the employee cap from the Tool and Die Renaissance/Recovery Zone Act.

(Rob's Roost continued from Page 1)

noticed that we added GlobalTranz (a freight discount program) to our list in the month of February. We continue to review providers listed and to consider new providers who offer additional value to your membership in the TMTA. If you have any suggestions in this regard we would be pleased to consider them. By supporting these providers you also support the work of the Association.

The TMTA Insurance Agency, through our arrangement with the Ralph C. Wilson Agency has not only expanded its offerings into the Property & Casualty area of insurance but has substantially enhanced service levels in the Life & Health areas as well. Indeed we recently saw a plan developed for a member company relative to Health insurance that resulted in a six figure savings without any material negative impact in coverage.

I might just observe that you owe it to yourself to check our Agency out. It is here for your benefit and we encourage and invite you to determine for yourself whether or not our offerings can improve your bottom line without negatively impacting coverages. The difference is often the ability to design coverages that meet your particular need(s).

The TMTA Board elections are again upon us and I would urge you to exercise your franchise and vote. We will be hosting our Annual Membership Meeting on Wednesday, April 15, 2009 at noon at the TMTA at which the newly elected directors will be introduced and will take office. Please mark your calendars now and we will soon be sending invitations and requests for RSVPs.

Let's "KEEP IT MADE IN AMERICA".

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

GlobalTranz - CarrierRate.com

(freight discount program)

Provider contact:

Chad Hill 866-275-1407 ext. 130

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.

Top Tax Mistakes

One or two mistakes on your tax return can bring you unnecessary stress, delay your refund, lose you money, or cause your return to be flagged for an audit. Most common taxpayer mistakes are easy to avoid once you know to watch out for them. According to the IRS, here are the most common taxpayer mistakes:

Math errors. It sounds simple, but math errors are one of the leading reasons the IRS adjusts returns. Double and triple check all figures and use a calculator if possible.

Claiming the wrong filing status. Your marital status is determined as of December 31—anything before that date really doesn't matter for tax purposes. Claiming the wrong status could negate your eligibility for the child tax credit, the earned-income credit and dependent exemptions.

Omitting or using the wrong Social Security numbers or claiming ineligible dependents. The IRS computers automatically reject your credits and deductions if the Social Security numbers listed don't match you and your dependents' Social Security cards.

Using incorrect forms/schedules or the wrong tax table. If the IRS can't verify the information you provide because you forgot to submit the correct forms, it may decide to make its own adjustments. And they won't be in your favor! Also, be careful to use the correct IRS tax table column for your filing status.

Direct deposit errors. If your account number or routing number is off, you won't receive your refund so check that your numbers are accurate.

Failure to include payment. If you owe, enclose a check or money order with your return and write your Social Security number, tax form number and tax year on the payment.

Failure to report all income. You may still owe taxes on income even if you don't receive a W-2 or 1099 for it. Unreported income can lead to civil and criminal sanctions—even if it was an accident.

Sending the IRS your only copy of important tax documents—including your return. Be sure to make copies of your return and all documentation with it for your records in case of an audit.

Failure to report domestic workers. If you paid \$1,600 or more in 2008 to any one household employee, you may have to withhold, and match, both Social Security and Medicare taxes. Check IRS requirements.

Failing to sign and date your return. Both spouses must sign joint returns. Remember, as far as the IRS is concerned, ***if you don't sign, you haven't filed.***

(Health News continued from Page 3)

coverage or not. Such notices must include the following:

- Notification of the availability of COBRA premium assistance;
- Notification of the option to enroll in different health care coverage offered by the employer, if any;
- Description of the forms necessary for establishing eligibility for the COBRA premium assistance;
- The name, address and telephone number necessary to contact the plan administrator and any other person maintaining the relevant information in connection with the COBRA premium assistance;
- A description of the special election period;
- A description of the individual's obligation to notify the plan if they no longer qualify for the premium assistance; and
- A description, displayed in a prominent manner, of the individual's right to reduced premium and any conditions on entitlement to the reduced premium.

For more information on the COBRA provisions of the American Recovery and Reinvestment Act of 2009, contact your health insurance agent or visit the TMTA website at www.thetmta.com.

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