

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association



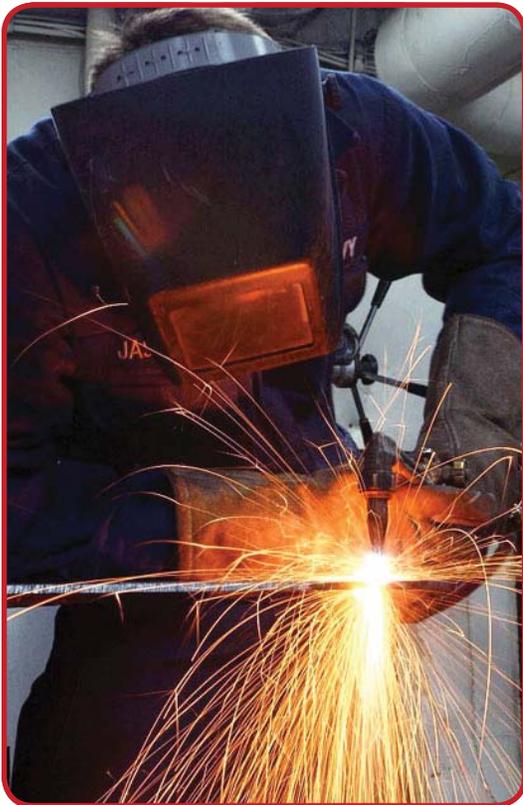
FROM ROB'S ROOST
BY ROB DUMONT
PRESIDENT & CEO

This Summer...

Spread the word: **BUY AMERICAN** and keep Americans working! Can that work? In a word **YES** it can!

Like many of you, I have regular dental check ups and my dentist gives out a new tooth brush after each cleansing. Six months ago I declined to take the new tooth brush because it was made in China—an interesting discussion ensued. This morning I was back for another visit and this time the dentist's staff gave me a toothbrush made in America and advised me that there was

a new "Buy American" policy in place in that dental office. True, not a world changing event but a clear indication that if you speak up you might just be heard. Try it—I know that I will like it and suspect you will too! If we put some effort into this we can reasonably expect improvements.



Those of you who participated in the TMTA Golf Outing last month received a new TMTA bumper sticker promoting the Buy American theme. If you would like to have one (or more for staff etc.) just let us know. We have a supply and will be happy to provide some to you. All we ask in return is that you put them to the use for which they are intended: display them proudly and do your part to promote American jobs.

Earlier this month we put on a push to have member companies listed as being in support of the Currency Reform For Fair Trade Act of 2010, H.R. 2378, currently moving through Congress. If you did not authorize us to list your company's name and would like to show your support for this much needed legislation just send me an

(Rob's Roost continues on Page 7)

Inside This Issue

- Page 2 Health News
 - News from BCBSM / BCN
 - Changes to BCN's Healthy Blue Living
 - Retroactive Processing News
 - Health Care Reform News
- Page 3 Health News
 - Health Care Tax Credit
- Page 4 Fact of the Week
 - From the Fair Currency Coalition
- Page 5 FYI
 - TMTA MSD Sheets Due
 - DOL No Longer Issues Opinion Letters
 - DOL Provides FMLA Clarity
- Page 6 A Word About Passwords
 - Inflation Talk—CPI-W/U
- Page 7 Rob's Roost (continued)
 - Welcome New Members
 - TMTA Endorsed Providers
- Page 8 Can You Identify These Events / Members?



Who are these people?
See the back cover.



BIG NEWS FROM BCBSM/BCN

The Blues has announced that they are implementing new plans for both BCBSM and BCN effective for January 1, 2011 that will be available through BCBSM Association/Chamber Sponsored Groups ONLY. This means that you will have more opportunities to save money on your health care program when you are a member of the TMTA Association Sponsored Group through BCBSM.

Details on the plans are due to be released by BCBSM in the near future and TMTA will be sponsoring a meeting to be held in October of this year to present all members detailed information on the new plans in time for January 1 rate renewals.

If you have any questions on the TMTA Association Sponsored Group through BCBSM, call Elaine at 248-488-0300, ext. 1309.

BCN Makes Changes for Healthy Blue Living Members

BCN has made some changes to its Healthy Blue Living program effective October 1, 2010 for new and renewing groups (and on a renewal date basis for all others).

Doctors will now be asked to screen members for blood pressure, cholesterol, blood sugar, smoking, weight and depression. The alcohol use measure has been eliminated. Members whose doctors schedule them for a 24-month follow-up visit must still complete an annual BCN health assessment.

The point system will be eliminated. Doctors will instead be assigning a grade from "A" to "C" for each health measure. One or more grades of "C" will move the member to the standard benefit level.

All new and renewing members must submit to a cotinine test their first year. A cotinine test is used to determine if someone is a smoker. Smokers are required to enroll in the BCN smoking cessation program, Quit the Nic, within 120 days of enrollment/renewal. A cotinine test will also be required of members who indicate that they've

quit smoking following the Quit the Nic program, and on an annual basis thereafter.

Members with a body mass index (BMI) of 30 or above must actively participate in either a BCN-sponsored Weight Watchers program or the BCN-sponsored Pedometer Program, Walking Spree, within 120 days of enrollment/renewal. Members may not switch programs mid-plan year unless a medical exception occurs that prevents participation in one program versus the other.

Members choosing Weight Watchers will have to enroll and attend at least 11 out of 13 sessions. Members must continue to enroll and participate in Weight Watchers, paid for by BCN, until their BMI drops below 30 and a new qualification form from their doctor confirms it. Members can continue Weight Watcher participation until renewal.

Members who choose the Pedometer Program, Walking Spree, will receive a free pedometer from BCN. Members in this program must have internet access in their home and their own e-mail address since the program is electronically based. After wearing the pedometer for one month, a baseline number of steps will be determined and an individualized target number of steps will be set. Members who do not meet their target step number requirement will be moved to standard coverage.

Retroactive Processing Limits

BCBSM is cracking down on allowing retroactive member changes. Please make sure you report all member additions and deletions within 30 days of the event. This is not a change to the retroactive rules; rather it means that BCBSM will no longer be making "policy exceptions" to the rules but strictly enforcing them.

COBRA retroactive limits will still apply, but remember, if you have not received a COBRA election from an ex-employee within 30 days, cancel his/her coverage. If the ex-employee later elects COBRA, you can reinstate his/her coverage retroactive at that time.

Health Care Reform News

The Patient Protection and Affordable Care Act (PPACA) will fundamentally change how health care is financed, delivered and regulated for years to come. It is a HUGE document with many, many changes taking place over a number of years. TMTA will keep you apprised of these changes as they are required. BCBSM has developed a website specifically on health care reform. It features

a timeline for changes and much more information for employers of all sizes. If you haven't visited their website yet, you should as you will find information you need to stay current on the health care reform issue. The website is located at www.bcbsm.com/healthreform.

TMTA has received calls in regards to Dependent Coverage reform. Dependents are those related to the employee by birth, marriage, legal adoption or legal guardianship. Effective for new plan years beginning on or after September 23, 2010, the following requirements become effective:

Coverage must be extended up to age 26.

Dependents can be married and do not require student or tax-dependent status.

There is no requirement to cover spouses or children of dependents.

Rates cannot be different based on dependents' ages.

New dependents must be offered the same policy options as other dependents.

A 30-day special enrollment period must be offered for dropped or previously unenrolled dependents under 26 years of age.

BCBSM and BCN have suspended the automatic end-of-the-year annual removal of 25-year old dependents and has extended the age to 26. Since rates charged for dependents can no longer vary by the age of the covered dependent, policies with family continuation riders will no longer be compliant. BCBSM and BCN are working on contract tier rates for one-person, two-person and families for all groups currently containing family continuation riders and they will notify you of these changes in advance of the effective date (your group's plan year date).

You should note that many reforms in the PPACA will be implemented for "plan years beginning on or after September 23, 2010." The term "plan year" in the Act is not synonymous with "renewal date" or "enrollment date", although there are circumstances where those dates could be the same. For most BCBSM and BCN groups the "plan year" will be January 1 through December 31 because that is when plan deductibles reset.

Health Care Related Tax Credit For Small Employers

The health care reform law provides for a tax credit to qualifying small business employers. In general, the credit is available to small employers that pay at least half the cost of single coverage for their employees in 2010. The

credit is specifically targeted to help small businesses and tax-exempt organizations that primarily employ moderate and lower income workers.

For tax years 2010 to 2013, the maximum credit is 35 percent of premiums paid by eligible small business employers and 25 percent of premiums paid by eligible employers that are tax-exempt organizations. The maximum credit goes to smaller employers—those with 10 or fewer full-time equivalent employees—paying annual average wages of \$25,000 or less. The credit is completely phased out for employers that have 25 or more full-time employees or that pay average wages of \$50,000 per year or more. Because the eligibility rules are based in part on the number of full-time employees, not the number of employees, businesses that use part-time help may qualify even if they employ more than 25 individuals.

To determine the number of full-time employees a business has, the employer divides the total hours of service of the employee by 2,080, rounding to the next lowest number.

New guidance allows employers to choose among 3 different methods of determining hours to minimize their bookkeeping duties while receiving the maximum credit.

These methods are:

- 1 – actual hours of service from records of hours worked and hours for which payment is made or due (e.g. vacation, holiday...);
- 2 – estimate of hours based on total days of service (i.e. the employee gets credited with 8 hours of service for each day for which the person would be required to be credited with at least one hour of service); or
- 3 – estimate based on total weeks of service (i.e. the employee gets credited with 40 hours of service for each week).

This means an employer with more than 25 employees may still qualify for the tax credit if some of its employees are part-time workers. For example, if an employer has 30 part-time workers with paid wages for 1,040 hours (using one of the methods above), the employer has 15 full-time employees for determining tax credit eligibility.

Eligible businesses can claim the credit starting with their 2010 income tax return (filed in 2011).

Employers can get more information at the IRS website at www.irs.gov/newsroom/article/0,,id=223666,00.html.



Fact of the Week

From the Fair Currency Coalition

Action from Congress and Commerce Decisive on China Currency, Not Statements from Treasury or Complaints Filed by USTR

Americans desperately need more jobs. With one American worker in six either unemployed or underemployed, it is long past time for the two actors who have the most power to intervene to do so and combat China's currency manipulation that has sent so many U.S. jobs to foreign soil. Every day the U.S. Congress and the Department of Commerce fail to counter China's unfairly undervalued currency saddles Americans with more lost jobs, more foreign debt, reduced investment, reduced industrial capacity, and fewer available research and development funds for the U.S. economy.

The U.S. Constitution empowers Congress to regulate foreign trade and Congress has delegated to Commerce the powers to enforce our trade laws. Inaction by these decisive players on the China currency issue is no longer an option.

That is why the Fair Currency Coalition (FCC) strongly supports Senators Charles Schumer (D-NY), Debbie Stabenow (D-MI) and Lindsey Graham (R-SC), and Congressmen Tim Ryan (D-OH) and Tim Murphy (R-PA), in their call for Congress to act. Legislation pushed by these Members signals the dissatisfaction of the American people with China's currency policy and would make explicit the authority Commerce already has to countervail the illegal export subsidy of China's undervalued currency.

Moreover, a favorable decision by Commerce on the coated paper petition alleging that China's practice of undervaluing its currency constitutes a countervailable export subsidy would trigger an investigation into the amount of the subsidy. A final determination in that case is due by September 20. Once all subsidies are determined and injury has been found, importers of those products would be forced to post a bond in the same amount.

Now those are two actions with real teeth that could be implemented in a few short months!

Unlike Congress and Commerce, the U.S. Treasury Department has no authority to sanction China and initiate a remedy to China's illegal undervalued currency subsidy and trade barrier. It is important to understand that even if Treasury had named China as a manipulator yesterday, the law authorizing the report mandates only

that Treasury initiate consultations, an activity already taking place for seven years. In other words, naming China in the Treasury report carries no meaningful sanctions, just more talk—something that does not help U.S. producers and their workers directly, as trade remedies would. Thus the practical outcome of Treasury's failure to cite is no different than if Treasury did make an affirmative determination.

As for action taken by the Office of the U.S. Trade Representative, filing a complaint with the World Trade Organization (WTO) would take years to adjudicate. While there are good grounds under the WTO's agreements to support the conclusion that China's enforced undervaluation of its currency violates various legal obligations China has assumed at the WTO, the filing of such a complaint would not guarantee a favorable decision. And even if the United States won the case, there is no guarantee that China would implement the prescribed remedy either at all or in a timely manner. China already flaunts WTO prohibitions on export subsidies. Furthermore, China's economy would certainly grow stronger while the U.S. economy would continue to shed jobs and lose manufacturing capability and investment as the complaint process winds to a conclusion several years down the road. Thus, if a WTO case were to be filed, it should not be done as a standalone action. It would only be marginally useful after Congress and Commerce had acted to countervail China's currency subsidy.

The bottom line is this:

- Treasury has missed every opportunity to exercise its legal right to cite China (and others) for their currency practices since 1994.
- USTR has missed every opportunity since 2004 to initiate WTO dispute resolution proceedings on China's currency.
- The Commerce Department has missed every opportunity over four years to launch a CVD investigation into China's currency.
- The Congress has missed every opportunity since 2005 to enact legislation to end China's currency misalignment.
- The Chinese have not missed any opportunity to steal U.S. jobs by perpetuating their two-way trade advantage, stuffing foreign exchange into State Administration for Foreign Exchange (SAFE), and padding the investment slush funds of state-owned enterprises (SOEs).

It is time for the Congress and the Obama Administration to stop waiting for each other to act and start working together to halt China's U.S. job-destroying persistent

undervaluation of the renminbi (RMB) that is so damaging to the U.S. economy. That means Congress must pass Schumer-Stabenow-Graham (S. 3134) / Ryan-Murphy (H.R. 2378) currency legislation and Commerce must initiate a CVD investigation on undervalued currency in the coated paper case.



TMTA MSD Information Sheets Due

There is still time to send in your TMTA 2010 Member Services Directory (MSD) information sheet to us. The deadline is Tuesday, August 31, 2010.

The TMTA MSD is distributed free-of-charge to over 1,200 companies each year to both members and non-members with a need. This is a great way to publicize the services and capabilities of your company. Please return your form today. You may fax it to us at (248) 488-0500 or e-mail to ron@thetmta.com.

DOL No Longer Issues Opinion Letters

The Department of Labor's Wage and Hour Division (WHD) has announced it will no longer issue opinion letters under the Fair Labor Standards Act (FLSA). In the past, both employers and unions have sought and received guidance on wage and hour questions, although the process was slow.

In announcing that it will no longer issue detailed opinion letters in response to specific situations, the WHD said it would instead issue "administrator interpretations". Administrator interpretations are general guidance on wage and hour issues that would apply to a broader range of employers than the fact-specific opinion letters. WHD said the interpretations would be issued only when they relate to "an entire industry, category of employees or all employees." The WHD feels "that this will be a more efficient and productive use of resources than attempting to provide definitive opinion letters in response to fact-specific requests submitted by individuals and organizations, where a slight difference in the assumed facts may result in a different outcome."

The first administrator interpretation has been issued and reaffirms the Department of Labor's position that mortgage loan officers are not administrative exempt employees.

DOL Provides Clarity in FMLA

The Family Medical Leave Act (FMLA) entitles eligible employees to take up to 12 weeks of job protected leave during any 12-month period for the birth or adoption of a child, to care for a newborn or newly placed child, or to care for a child with a serious health condition. The Act defines a child as a "biological, adopted, or foster child, a stepchild, a legal ward, or a child of a person standing in loco parentis, who is (A) under 18 years of age; or (B) 18 years of age or older and incapable of self-care because of a mental or physical disability." In an administrator interpretation, the Department of Labor (DOL) seeks to clarify who stands in loco parentis for purposes of a FMLA leave entitlement.

The regulations define loco parentis as including those individuals with day-to-day responsibilities to care for and financially support a child; but the DOL's administrator interpretation says that either day-to-day care **or** financial support may establish a loco parentis relationship as long as the employee intends to assume parental responsibilities with respect to the child.

According to Buck Consultants, this could include an employee who:

- Provides day-to-day care but no financial support for his or her unmarried partner's child (with whom there is no legal or biological relationship);
- Will share equally in raising a child with the child's biological parent;
- Will share equally in raising an adopted child with a same-sex partner without a legal relationship to the child;
- Takes in a grandchild and assumes ongoing responsibilities for raising the child because the parents are incapable of caring for the child; or
- Assumes responsibility for raising a niece or nephew after the death of the child's parent.

The DOL notes that there is no limit to the number of parents a child may have under FMLA. This could include a child with both biological parents as the child of an employee who has neither a biological nor legal relationship with that child.

The DOL further allows that a simple statement that the relationship exists is all that is needed to substantiate a FMLA leave in a loco parentis situation, making it easier for employees to claim FMLA leave and harder for employers to determine whether they are entitled to it.

A Word About Passwords

A survey on password management by the security firm Symantec showed that 63 percent of respondents don't change their passwords very often, 45 percent use a few passwords that they alternate for all accounts, and some 10 percent don't ever change their passwords. Forty four percent of respondents said they have more than 20 accounts that require a password.

Worst of all, the survey found that about 10 percent of respondents have used their pet's name as a password. An effective password is one that is both hard for others to guess yet easy enough for the owner to remember.



From the University of Wyoming

Here are some tips to choosing a password:

- ❖ Use a mixture of numbers, letters, punctuation and symbols.
- ❖ Take a word or phrase that's meaningful to you and alter it.
- ❖ Replace a few of the characters in your password with numbers or symbols. Such as take "show me the money" and replace e's with @'s, s's with \$'s and o's with *'s making your password "\$h*w m@ th@ m*n@y".
- ❖ The longer your password, the better.
- ❖ Avoid personal information such as pets' names. Also avoid your, your spouse or your child's name, birth date or anniversary..

And while we're on the subject, Ipsos Public Affairs Messaging Anti-Abuse Working Group surveyed tens of millions of users and nearly half admitted to having opened spam, clicked on a link in spam, opened a spam attachment, and/or replied to or forwarded spam to others. These activities leave users susceptible to fraud,

phishing, identity theft and infection.

Having a strong password and resisting the temptation to open things you don't know anything about goes a long way in protecting your personal information and your computer system.

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
June 2010	213.839	636.962	740.78*
May	214.124	637.809	741.77*
Apr	213.958	637.316	741.19*
Mar	213.525	636.025	739.69*
Feb	212.544	633.105	736.29*
Jan	212.568	633.176	736.38*
Dec 2009	211.703	630.600	733.38*
Nov	212.003	631.491	734.42*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
June 2010	217.965	652.926	759.34*
May	218.178	653.564	760.08*
Apr	218.009	653.059	759.49*
Mar	217.631	651.925	758.18*
Feb	216.741	649.259	755.08*
Jan	216.687	649.098	754.89*
Dec 2009	215.949	646.887	752.32*
Nov	216.330	648.028	753.65*

Note: June 2010 CPI-W represents a 1.4% 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

(Rob's Roost continued from Page 1)

e-mail and I will see to it that you are listed. The more names we have the stronger is the message so please participate.

There are strong indications that H.R. 2378 will pass through Congress and TMTA together with the many other organizations who have worked tirelessly on this Bill is very hopeful that our efforts will soon come to fruition.

Health care reform in the form of the Patient Protection and Affordable Care Act has been signed into law and is, understandably causing a lot of heartburn for employers and others. The legislation is contained in some 906 pages of very difficult to comprehend verbiage, almost defies understanding and I doubt has ever actually been read by anyone particularly those in Congress who passed it into law. That being said efforts are under way to decipher it and, hopefully, make some sense of it. We will keep you posted.



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

- ❖ **DigiTek Corp.** located in Livonia, MI; they design and manufacture test, diagnostic and inspection equipment; and
- ❖ **Schwartz Iron & Metal Co.** located in Detroit, MI; they consult on die layout to maximize return on production.



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(Health insurance program)

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(Energy conservation program)

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Freedom One Financial Group

(401(k) Retirement program)

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John Young 248-620-8100

GlobalTranz — CarrierRate.com

(Freight discount program)

Provider contact:

Chad Hill 866-275-1407, ext. 130

John M. Packer & Associates

(Unemployment cost control program)

Provider contact:

Nathan Wiest 800-482-2971

Ralph C. Wilson Agency, Inc.

(Insurance management)

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Jay Poplawski, 248-355-1414, ext. 158

Reliance Standard/Ameritas

(Life/Dental insurance programs)

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Stella Krupansky 248-488-0300, ext. 1310

SVS Vision

(Safety & Vision programs)

Provider contact:

Monica Dyja 800-611-3683 or www.svsvision.com

Schena Roofing & Sheet Metal Co., Inc.

(Commercial/industrial roofing contractor)

Provider contact:

586-949-4777

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

How Long Have You Been an Association Member?

How many of these events did you attend? How many of these people do you recognize?

