

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association



FROM ROB'S ROOST
By ROB DUMONT
PRESIDENT & CEO

Out of the Gate in 2011

We are told that the economy is in a stage of recovery. Some of our members concur that that is indeed the case while others dispute that observation. Certainly we are in a New Year and hopefully it will bring with it renewed energy and commitment to improving manufacturing in this country.

Much has been said and more has been offered by illustration supported by fact that our continuing woes are clearly traceable to the ongoing and often growing trade deficit. For reasons that escape the understanding of many, our political leaders continue to wage war across party lines without much in the way of regard for the realities visited upon so very many of their constituents. Fore-

most among these is unemployment.

Later this month I will be attending a meeting at the U.S. Department of Commerce with the head of the Policy Department. The U.S. continues to flounder



about in the absence of any real trade policy or indeed strategy. Be assured that the topic will come up for discussion. While in DC I will be going to the House side of the Hill to meet with new members now seated post election. Every effort must be made to ensure they are familiarized with our issues and there is a large crop to be visited.

The good news is that many ran campaigns on the very issues that they must now step up to address. The TMTA and other like minded organizations will be working long hours to ensure that recent advances are not reversed.

You must know that work in DC requires financial commitment by the Association and while dues assist in that effort much of the support we rely upon

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tmta Calendar of Events January 2011

15-23	2011 North American International Auto Show at Cobo Arena, Detroit
19	TMTA Board of Directors meets at TMTA offices

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



Health Care Reform Changes Effective 1/1/11

Just a reminder that Health Care Reform changes went into effect on January 1, 2011 for most plans (plan years beginning on or after September 23, 2011). These include:

- Extending dependent coverage up to age 26;
- Removal of lifetime dollar limits;
- Removal of pre-existing condition exclusions for children up to age 19;
- Prohibiting rescissions with limited exceptions;
- Clarifying emergency services;
- Offering specific preventative services without cost-sharing; and
- Appeal process updates.

For more information on any of these topics, visit the BCBSM Health Care Reform web page at www.bcbsm.com/healthreform.

IRS Releases Additional OTC Restriction Guidance

Beginning in 2011, expenses incurred for over-the-counter (OTC) medications will no longer be eligible for payment or reimbursement under health flexible spending accounts (FSAs) or health reimbursement accounts (HRAs), unless specifically prescribed for by a physician. These rules do not apply for the reimbursement of insulin, even if purchased without a prescription.

There are 3 exceptions:

1. Purchases from 90 percent pharmacies. A "90 percent pharmacy" is a store for which 90 percent of gross receipts during the prior taxable year consist of items that qualify as medical care expenses under Code Section 213(d).
2. Purchases from drug stores and pharmacies, non-health care merchants with pharmacies and mail order/web-based prescription vendors if all of the following requirements are met:
 - Point-of-sale requirement: Prior to the purchase, the participant or beneficiary presents the

prescription to the pharmacist, the pharmacist provides the OTC drug and assigns an Rx number.

- Record Retention: The pharmacy or vendor retains a record of the Rx number, the name of the purchaser or person for whom the prescription applies and the date and amount of the purchase in a manner that satisfies applicable IRS recordkeeping requirements.
- Employer Record Access: The pharmacy retains all records for review by the employer or its agent upon request.
- Rx Number: The card will not work without an assigned Rx number.
- Additional Rules Satisfied: The transaction must meet all of the other usual requirements of FSA or HRA funds.

3. Purchases from health care merchants. Purchases from health care merchants (such as physicians or vision care providers) with a health care merchant code if the above 5 requirements are also met.

If purchases are made outside the rules, the amount of the distribution for expenses that are not qualifying medical expenses will be includable in your gross income and subject to an additional tax of 20%.

Rescissions Provision Clarifications

Starting with plan years beginning on or after 9/23/10 (1/1/11 in most cases), group health plans and insurers are prohibited by the Patient Protection and Affordable Care Act (PPACA) from rescinding coverage of an enrollee except in the cases of fraud or intentional misrepresentation. Coverage can be retroactively terminated for nonpayment of premiums or contributions toward the cost of coverage. Plans must provide at least 30 calendar days notice to an individual before rescinding coverage. The interim rules define a recession as a retroactive cancellation or discontinuation of coverage and the rules apply to both new and grandfathered plans.

As a result of comments from BCBSM and others, the Department of Labor (DOL) issued additional guidance:

"The statutory prohibition related to rescissions is not limited to rescissions based on fraudulent or intentional misrepresentations about prior medical history. An example in the Departments' interim final regulations on rescissions clarifies that some plan errors (such as mistakenly covering a part-time employee and providing coverage upon which the employee relies for some time) may be cancelled prospectively once identified, but not

retroactively rescinded unless there was some fraud or intentional misrepresentation by the employee.

On the other hand, some plans and issuers have commented that some employers' human resource departments may reconcile lists of eligible individuals with their plan or issuer via data feed only once per month. If a plan covers only active employees (subject to the COBRA continuation coverage provisions) and an employee pays no premiums for coverage after termination of employment, the Departments do not consider the retroactive elimination of coverage back to the date of termination of employment, due to delay in administrative record-keeping, to be a rescission.

Similarly, if a plan does not cover ex-spouses (subject to the COBRA continuation coverage provisions) and the plan is not notified of a divorce and the full COBRA premium is not paid by the employee or ex-spouse for coverage, the Departments do not consider a plan's termination of coverage retroactive to the divorce to be a rescission of coverage. (Of course, in such situations COBRA may require coverage to be offered for up to 36 months if the COBRA applicable premium is paid by the qualified beneficiary.)"

Wear Red for Heart Disease Awareness

February is American Heart Month. National Wear Red Day is the first Friday of February (2/4/11). Both men and women should wear red on this day to support Go Red For Women and to help raise awareness about heart disease for both women and men.

According to the American Heart Association, every 36 seconds, someone dies from heart and blood vessel diseases. Heart disease is America's No. 1 killer. Coronary arteries that supply the heart with blood slowly become thicker and harder from a buildup of fat, cholesterol and other substances called plaque. If a blood clot forms that blocks the flow of blood to the heart, a heart attack occurs. The heart muscle supplied by that artery begins to die. Damage increases the longer an artery stays blocked. Once heart muscle dies, the result is permanent heart damage.

It is important to recognize the warning signs of a heart attack. The American Heart Association says: Some heart attacks are sudden and intense—the classic "movie heart attack" where no one doubts what's happening. But most heart attacks start slowly, with mild pain or discomfort. Often people affected aren't sure what's wrong and wait too long before getting help. Here are signs that can mean a heart attack is happening:

Chest discomfort – Most heart attacks involve discomfort in the center of the chest that lasts more than a few minutes, or that goes away and comes back. It can feel like uncomfortable pressure, squeezing, fullness or pain.

Discomfort in other areas of the upper body – Symptoms can include pain or discomfort in one or both arms, the back, neck, jaw or stomach (can occur on the right or left side or both).

Shortness of breath with or without chest discomfort.

Other signs – Other signs can include breaking out in a cold sweat, nausea or lightheadedness.

As with men, women's most common heart attack symptom is chest pain or discomfort; but women are more likely than men to experience some of the other common symptoms, particularly shortness of breath, nausea/vomiting, and back or jaw pain.

Learn the signs, but remember this: Even if you're not sure it's a heart attack, have it checked out by a doctor. Minutes matter! Fast action can save lives—maybe your own. Don't wait more than 5 minutes to call 911 or your emergency response number.

Calling 911 is almost always the fastest way to get lifesaving treatment. Emergency medical services (EMS) staff can begin treatment when they arrive—up to an hour sooner than if someone gets to the hospital by car. EMS staff is trained to revive someone whose heart has stopped. Patients with chest pain who arrive by ambulance usually receive faster treatment at the hospital too. It's best to call EMS for rapid transport to the emergency room.

Even if you have heart disease, there is a lot you can do to improve your heart's health. Follow these tips:

Don't smoke and avoid second-hand smoke as well.

If you have high blood pressure, have it treated by a physician.

Eat a healthy diet low in saturated fat, trans fat, cholesterol and salt.

Exercise at least 30 minutes on most or all days of the week.

See your physician for regular check-ups.

Take your medication exactly as prescribed.

Control your blood sugar if you have diabetes or are borderline diabetic.

If you think you may have heart disease, consult with your physician as soon as possible.



USPS Rate Increase

The U.S. Postal Service (USPS) announced the first price change in two years. The prices will become effective April 17, 2011. The rate of a First-Class letter (1oz.) remains unchanged at 44 cents; however, additional ounces increase to 20 cents. Other main changes include postcards at 29 cents and letters to Canada or Mexico (1oz.) increase to 80 cents while letters to other international destinations remain at 98 cents. Express Mail and Priority Mail prices are not affected.

Actual percentage price increases for products and services will vary, but the overall average increase across all mailing services is capped by law at 1.741 percent, at or below the rate of inflation as measured by the Consumer Price Index.

Faced with decreased mail volume traced to recession and increased use of the Internet, the USPS continues to face a daunting financial crisis. The USPS receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations. In July 2010, the USPS filed an exigent price proposal that was rejected by the Postal Regulatory Commission. The USPS filed an appeal of that decision and currently awaits a decision by the court.

New Rules for Nursing Mothers

Remember that a new amendment to the Fair Labor Standards Act (FLSA) requires employers to provide “a reasonable break time for an employee to express breast milk for her nursing child for 1 year after the child’s birth each time such employee has need to express the milk.” Additionally, employers must offer an employee a private place in a location that is “shielded from view and free from intrusion from coworkers and the public.” Bathrooms are specifically excluded as an appropriate place.

Employers are not required to compensate mothers taking breaks during work time; however, the employer must allow the nursing mother to take “reasonable break time” each time she needs to. If the nursing mother takes an employer provided paid break time as her reasonable break time, the employer must pay her.

The FLSA amendment affects all employers with the limited exception for certain employers with fewer than

fifty employees if the new requirements would impose an “undue hardship.”

2010 Tax Relief Act Provision Extensions

When the President signed the Tax Relief bill into law on December 17, 2010, it extended the employer-provided education assistance tax credits thru 2012. This allows employers to provide up to \$5,250 a year in tax-free educational assistance for graduate, undergraduate and certificate training.

In a knowledge-based economy, the tax credit encourages employees to continue to develop their skills and competencies and encourages employers to support those efforts. Education assistance programs enable companies to retain talented and loyal employees who need to enhance their skills to meet new business performance expectations.

The Tax Relief bill also extended the employer-provided child care credit through 2012. Employers that provide child care facilities may be eligible for a tax credit up to \$150,000 on qualified costs. These costs include construction or rehabilitation of property to serve as a child care facility as well as costs of training and compensating employees of the child care facility.

A one year extension was provided for employer-provided mass transit and parking benefits allowing employers to reimburse employees for transit-related fringe benefits up to \$230 per month. These benefits may be realized as a tax-free fringe benefit offered by employers or as a pre-tax benefit when paid for by the employee. As always, contact your tax consultant for details

2011 IRS Mileage Rates

The IRS issued the 2011 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, and medical or moving purposes.

Effective January 1, 2011, the rates are as follows:

Business Rates	- .51
Medical/Moving	- .19
Charitable Services	- .14

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

Health Coverage Tax Credit Extension

Congress and the President passed the Omnibus Trade Act of 2010 which extends the American Recovery and Reinvestment Act (ARRA) provisions on the Health Coverage Tax Credit until February 13, 2011.

The Health Coverage Tax Credit (HCTC) is a federally funded tax credit that allows eligible individuals and their families to afford health insurance by paying 80% of their health insurance premiums. Covered are displaced workers who are certified by the Department of Labor as eligible to receive Trade Readjustment Allowances under the Trade Adjustment Assistance (TAA) program for as long as they have TAA eligibility. Also covered are those who receive benefits from the Pension Benefit Guaranty Corporation (PBGC) and are 55 years old or older.

For more information, visit the IRS's HCTC website at www.irs.gov/hctc.

Poll Confirms: Michigan Wants Choice When It Comes to Electricity

Members of the Michigan business coalition Electric Competition for Michigan NOW! released the results of a new poll on electric competition, conducted by Marketing Resource Group. Of 600 Michigan residents polled, 79 percent said homeowners and businesses should be able to select their electric company, just as they choose their telecommunications and natural gas providers.

"As a multi-generational, family-owned chain of Michigan restaurants, we live in the real world of free market competition, which breeds tight profit margins, but also low costs for consumers, efficiency, and high quality services and products. That benefits everyone," said Tommy Brann, owner of Brann's Sizzlin' Steaks and Sports Grille and a member of the Electric Competition for Michigan NOW! coalition. "But today, the cards are heavily stacked against Michigan businesses when we must compete against one another but our electricity providers, be it Detroit Edison (DTE) or Consumers Power, do not, resulting in the twin evils of rising electric rates for us and lost opportunities for job creation in Michigan."

Electric Competition for Michigan NOW! is opposed to the current monopoly system in Michigan's electricity

market, which gives 90 percent of the market to DTE and Consumers Energy, allowing just 10 percent of Michigan's electricity consumers to have a choice when choosing an electricity supplier. The 10 percent cap was met within the first year, by 2009, and there is currently a waiting list of more than 1,000 customers that have submitted paperwork to shop for competitive electricity. Electric Competition for Michigan NOW! supports eliminating the cap on competition or at least increasing the cap from 10 to 25 percent (or higher).

"Unlike businesses regionally and nationally, Michigan businesses have not seen any of the benefits felt by businesses nationally and regionally by the national drop in wholesale electric rates," said Brann. "In fact, our utility bills have spiked over the last 24 months. The current monopoly system in Michigan is hurting our businesses and hurting job creation."

As always, we invite every individual, every business, every trade association and interested party to unite with us today at Electric Competition for Michigan NOW! "Tell your legislator to help Michigan businesses by voting "YES" to raise the cap on electric choice in Michigan."

Electric Competition for Michigan NOW! is also pleased to note that just one month after launching the coalition, 600 individuals have become Facebook "Fans", over 1,000 people are following the actions of the coalition on Twitter, and business membership continues to grow.

The Coalition encourages all Michigan consumers to become informed on, follow and fan the issue at:

- Website: www.competition4mi.com
- Twitter: twitter.com/competition4mi
- Facebook: www.facebook.com/pages/Electric-Competition-for-Michigan-Now/132647970106636?ref=ts

Electric Competition for Michigan NOW! is a coalition of customers, suppliers, and trade associations whose mission is to promote the right for Michigan consumers to have real energy choices when selecting their electricity provider.

The MRG Michigan poll is an omnibus statewide poll of Michigan voters focusing on various issues in the news. The poll surveyed a random sample of 600 likely voters from September 14 through 19. All interviews were conducted by telephone using professional interviewers. The margin of error is ± 4 percent, using a confidence level of 95 percent.

More Employee Lawsuits In the Future?

In an unprecedented step effective December 13, 2010, the Department of Labor's Wage and Hour Division (WHD) has collaborated with the American Bar Association's Standing Committee on Lawyer Referral and Information Service (ABA LRIS) to provide workers access to attorneys who are qualified to pursue a Fair Labor Standards Act (FLSA) or Family and Medical Leave Act (FMLA) claim.

Over the past 2 years the WHD has added 350 new investigators but are unable to keep up with the over 40,000 complaints received during fiscal year 2010 alone. Ten-percent of those individuals were informed that the WHD was not pursuing their complaints even though the department determined that a violation may have existed. In recognition of the fact that the WHD could not remedy every violation of the FLSA and FMLA, Congress provided workers the right to pursue their own private litigation under these laws.

In addition, when the WHD has conducted an investigation, the complainant will now be provided information about the WHD's determination regarding violations at issue and back wages owed. The WHD has created a special process for complainants and attorneys to quickly obtain relevant case information and documents.

The WHD is targeting "fissured" industries—those sectors that increasingly rely on a wide variety of organizational methods that have redefined employment relationships: subcontracting; third-party management; franchising; independent contracting; and other contractual forms that alter who is the employer of record or make the worker-employer relationship tenuous and less transparent.

This new referral system will likely result in an increase in the number of FLSA and FMLA lawsuits filed by private individuals. Prior to this system, employees whose claims were not further processed by the WHD might have assumed that their case was not worth pursuing. Now, under the new system, employees who have been given a referral to an attorney may believe that they have a strong legal claim and thereby pursue a lawsuit even if their claim has little, if any, merit.

All employers should ensure that all employee, contractor and third-party relationships are properly categorized. Employers should also make sure that their current

practices and policies are in compliance with the FLSA and FMLA.

If you have any doubts that your company complies, contact your legal counsel.

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Nov 2010	214.750	639.673	743.94*
Oct	214.623	639.296	743.50*
Sept	214.306	638.353	742.40*
Aug	214.205	638.052	742.05*
July	213.898	637.138	740.98*
June	213.839	636.962	740.78*
May	214.124	637.809	741.77*
Apr	213.958	637.316	741.19*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Nov 2010	218.803	655.438	762.26*
Oct	218.711	655.162	761.94*
Sept	218.439	654.346	760.99*
Aug	218.312	653.966	760.55*
July	218.011	653.066	759.50*
June	217.965	652.926	759.34*
May	218.178	653.564	760.08*
Apr	218.009	653.059	759.49*

Note: November 2010 CPI-W represents a 1.3% 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)

comes from your patronization of our preferred suppliers. I am pleased to be able to say that when you do participate with them it is truly a win-win situation. You get a superior product and service at a very reasonable and competitive price while the provider supports the Association in its efforts on your behalf.

Two of our more recent preferred providers serve as good examples of the value the Association delivers with membership. SVS Vision gives TMTA member companies and their employees and families a 30% discount on services and products. Staffworks provides you with a seamless way to minimize unemployment insurance costs (this year's claims are next year's premiums) while on the other hand they can substantially reduce and contain labor costs. SVS is a manufacturer and member of TMTA and pays its dues just as you do. TMTA does not share in any revenues generated by your patronage of SVS. Staffworks does supply financial support to TMTA based on patronage by our member companies.

We do annually review our preferred providers to ensure that members get the best possible options for attractive prices.

As an Older Driver...

Age affects vision, strength, flexibility, and mental reaction times. No one is getting any younger and the effects of aging takes its toll on activities such as driving. Here are some tips from Farm Bureau Insurance to help you drive longer and safer as you age:

- Stay active and keep on exercising. Driving a vehicle requires strength, flexibility and endurance.
- About 90% of safe driving relates to vision. Have your eyes tested annually.
- Stay mentally sharp. Do crossword puzzles, play games, learn a new language...all activities that help maintain a sharp mind.
- Learn the effects of your medications on driving alertness, vision and other skills. Take all medication as prescribed.
- Fit your car to you. Adjust your steering wheel, seat, headrest, seatbelt and mirrors so they are comfortable and natural to you.
- Take charge of your life and driving routine. Limit your driving to match your skills. For example, drive only during daylight hours or take less congested routes.

TMTA ENDORSED SERVICE PROVIDERS

Blue Cross Blue Shield/BCN

(Health insurance program)

TMTA contacts:

Dennis Campbell 248-488-0300

Elaine Burger-Laskosky 248-488-0300, ext. 1309

Encompass Energy Group

(Energy conservation program)

Provider contact:

Shel Rader 248-515-3217

Rick Wald 248-755-6523

Freedom One Financial Group

(401(k) Retirement program)

Provider contact:

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)

Provider contact for Benefits coverages:

Robert Farris 248-355-1414, ext. 109

Provider contact for P&C and WC coverages:

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

Reliance Standard/Ameritas

(Life/Dental insurance programs)

TMTA contacts:

Dennis Campbell 248-488-0300

Stella Krupansky 248-488-0300, ext. 1310

SVS Vision

(Safety & Vision programs)

Provider contact:

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

Schena Roofing & Sheet Metal Co., Inc.

(Commercial/industrial roofing contractor)

Provider contact:

586-949-4777

Staffworks Group

(Staffing needs)

Provider contact:

Bill Brann 877-304-9690

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.



Buy American Made

TMTA is staunch on *Buying American* and we have created an area on our website where we feature companies who manufacture in America.

The **Made In America** web page has grown to become the second most viewed page on our website. Companies are listed alphabetically and there is a 'search' feature if you are looking for a particular service or item. TMTA strongly encourages you to patronize the companies listed on our Made in America page.

Company listings are free-of-charge. By adding your company to our list, you receive advertising that can attract new business at no cost to you. This is another way your Association is working for you.

If you would like to add your company to our list, contact Elaine at 248-488-0300, ext. 1309 or e-mail your company's information to elaine@thetmta.com and we will make sure your company is included.

Access the **Made In America** page by clicking on the icon (identical to the image above) located on our website home page at www.thetmta.com.

**For more information about
the TMTA, our advocacy,
events and benefits,
visit us at
www.thetmta.com**

The TMTA Board of Directors Wants You!



The Tooling, Manufacturing & Technologies Association is governed by a Board of Directors elected from the membership, by the membership, for the membership. This year 2 seats on the Board are up for election; directors are elected to serve 3-year terms.

Please consider submitting your name for this year's election. It is a voluntary position, but an extremely important one. The TMTA Board of Directors makes decisions that effect the Association and its member companies.

If you are interested in being on the ballot for the term beginning in 2011, please let us know by sending either a fax to (248) 488-0500 or an e-mail to ron@mtaonline.com by Monday, February 7th.

We look forward to putting your name on the ballot this year!

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**P.O. Box 9151 Phone (248) 488-0300
Farmington Hills, MI 48333 Fax (248) 488-0500
www.thetmta.com**

*President and CEO — Robert J. Dumont
Editor, Layout/Design — Elaine F. Burger-Laskosky*

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