

tmta talk

A publication of the Tooling, Manufacturing & Technologies Association



FROM Rob's Roost
By Rob Dumont
PRESIDENT & CEO

... 'Tis the Season...

... 'tis the season when we at the TMTA acknowledge with gratitude your membership in the Association. For without you, we are not! You enable the presentation of a strong and focused effort made up of voices and positions to be presented at both the State and National levels. We remain dedicated and persistent in the quest to maintain and create new

and greater opportunities for manufacturers in America. We thank you for your continuing support; we assure you of our continued dedication and, we wish each of you the very best at Christmas and in the New Year!

Hark! Is that not election talk I am hearing? It is! With that talk comes opportunity—the opportunity to express your satisfaction or dissatisfaction come November next when the polls will once more open to have you exercise your franchise.

Party lines and party dedication are very hard to put aside but it

appears to me that one must pose the question of one's self—"What is being achieved in the State Capital and/or in Washington D.C. for We the people?" Is there not a "job to be done" and is that job, as I perceive it, being done?" If your answer is positive, no problem—if it is negative, are you willing to do something about it or are you prepared by the placement of an 'X' on a ballot to order up more of the same? It seems to me that "We the people" are being relegated to the very back of the line, well behind "We the politicians." Can

(Rob's Roost continues on Page 7)



Inside This Issue

- Page 2 Health News
Support the TMTA
Holiday Healthy Eating Guide
- Page 3 Life Insurance News
W-2 Add-On Still the Same
W-2's & Reliance Life Ins.
3% Withholding Repeal
and Job Creation Act
(The Act)
- Page 4 2012 1st/2nd Qtr. Business
Trends Survey Results
- Page 5 Members In the News
Columbia Marking Tools
- Page 6 The Act (continued)
Inflation Talk: CPI-W/CPI-U
- Page 7 Rob's Roost (continued)
TMTA Endorsed Providers
- Page 8 Happy Holidays!
Holiday Survey Results

tmta Calendar of Events

December 2011

23-26	Christmas Holiday - TMTA Offices Closed
--------------	--

30-02	New Year's Holiday - TMTA Offices Closed
--------------	---

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

A No Fuss Way to Support the TMTA

Are you a member of the TMTA Association Sponsored Group through BCBSM and BCN? This is an important Association program in which to participate as a TMTA member. There is no cost to you, it does **not** impact your agent's commission, and at the same time the Association receives remuneration from BCBSM.

By signing up for this **free service**, your company receives the advantage of working with TMTA directly for all of your BCBSM needs and you gain access to the association/chamber-only plans available from BCBSM and BCN.

It's easy to join. Simply call TMTA for a "Member in Good Standing" letter, then submit the letter to your agent-of-record along with a request to join the TMTA Association Sponsored Group. You will notice that future correspondence from BCBSM/BCN will show 'TMTA' in front of your company name.

If you have any questions about how TMTA can help with your health insurance needs or the TMTA Association Sponsored Group Program, please contact Elaine at 248-488-0300, ext. 1309 or e-mail to elaine@thetmta.com.

This is an excellent way for your company to show its commitment to the TMTA and our many member benefit programs.

New Holiday Healthy Eating Guide

The American Heart Association (AHA) has published a new "Holiday Healthy Eating Guide," with tips for consumers on how to navigate the Holidays—usually a heavy-eating season—in a way that is healthy for your heart, blood pressure and cardiovascular health, and will help you avoid gaining weight.

Here are some of the tips suggested by the AHA:

- Know the number of calories—for your gender and age—that you can eat each day without gaining weight;
- Increase your physical activity by going for a family walk after each meal or gathering, shooting hoops, jumping rope, playing catch or engaging in other family activities. The AHA booklet includes suggestions of "ways to stay safe and active in the winter;"
- Be sure to drink plenty of water when you exercise to avoid dehydration. "A good rule of thumb is to drink one cup of water for every 15 minutes of physical activity;"
- Beware of high-calorie holiday beverages, like eggnog, hot chocolate, apple cider or cocktails,



that can fool you as to the number of calories you are consuming;

- For appetizers, "Look for fruit, veggies and dip, whole-grain crackers, and baked or grilled items," rather than foods that are fried, buttered or have a lot of cheese and cream;

- Choose lighter turkey meat (it has fewer calories), limit the gravy, and be aware of the contents in dressings or casseroles;
- Limit desserts, by sharing them with someone, and sample one or two bites rather than consuming the whole, caloric dessert;
- In baking or cooking, read the AHA pamphlet to learn what healthy ingredients you can substitute in recipes that call for butter, sugar, cream, white flour, chocolate, candies or alcohol; and
- Bake, grill or steam vegetables instead of frying them.

The pamphlet, Holiday Healthy Eating Guide, is available for download from the American Heart Association's website at www.heart.org/idc/groups/heart-public/@wcm/@wsa/documents/downloadable/ucm_433416.pdf.

Life Insurance Program News

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

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

You must include in your employee's wages subject to social security and Medicare taxes the cost of group-term life insurance that is more than the cost of \$50,000 of coverage, reduced by the amount the employee paid toward the insurance.

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

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

W-2 Preparation for TMTA Groups Through Reliance Standard Life Insurance

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

3% Withholding Repeal and Job Creation Act

On November 21, 2011, President Obama signed into law the "3% Withholding Repeal and Job Creation Act" (the Act). The Act repeals the 3% withholding on government contractors, expands tax incentives to encourage employers to hire military veterans, expands the IRS's continuous levy authority, extends authority for the U.S. Department of Veterans Affairs to obtain information from the IRS, and tightens eligibility for refundable health-related tax credits under Code Sec. 36B.

The Tax Increase Prevention and Reconciliation Act of 2005 created a 3% government withholding requirement on certain payments to government contractors and others providing property or services in excess of \$10,000. The mandatory 3% withholding applied not only to payments made by the federal government but also to payments by state and local governments as well as their political subdivisions. The Act repeals the withholding requirement as if it had never been enacted effective for payments made after December 31, 2011.

The Act extends the Work Opportunity Tax Credit (WOTC) for hiring qualified veterans, broadens the classes of qualified veterans, increases the WOTC for hiring some of them, "fast-tracks" the qualification process for qualified veterans and provides tax-exempt employers with a credit against payroll tax for hiring qualified veterans. Employers will be able to claim the WOTC for qualified veterans who begin work for the employer before January 1, 2013.

The Act adds 2 new categories of qualified veterans:

- individuals with aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 4 weeks (but less than 6 months); and
- individuals with aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.

The WOTC credit enhancements under the Act for qualified veterans who begin work for the employer after November 21, 2011, are:

The Returning Heroes Tax Credit:

- \$12,000 for an individual who is a qualified veteran who is entitled to compensation for a service-connected disability and has a hiring date that

(The Act continues on Page 6)

2012 First/Second Qtr. Business Trends Outlook Survey

Thanks to the member companies that took the time to respond to the latest Business Trends Outlook Survey. The figures in the brackets are the responses from the survey completed six months ago.

1. Describe your company's operation:

Dies, Molds	10%	(12%)
Jigs, Fixtures, Gages	05%	(04%)
Engineering, Technology	00%	(00%)
Stamping, Forging, Casting	06%	(07%)
Manufacturing	23%	(28%)
Machining	21%	(16%)
Tools	10%	(07%)
Special Machines	02%	(00%)
Assemblies	02%	(00%)
Fabrications	03%	(04%)
Prototypes	00%	(04%)
Other	18%	(18%)

2. How is your business now?

Excellent	11%	(07%)
Very good	27%	(33%)
Good	49%	(35%)
Fair	11%	(23%)
Bad	02%	(02%)
Very bad	00%	(00%)

3. Over the next 6 mos. your co.'s business will:

Increase substantially	10%	(04%)
Increase moderately	38%	(52%)
Remain the same	47%	(37%)
Decrease moderately	03%	(07%)
Decrease substantially	02%	(00%)

4. Current average work week:

Hours per week	47.2	(46.1)
----------------	------	--------

5. Current employment:

Hourly:	25.3	(24.9)
Salaried:	6.0	(6.0)

6. Compared to 1yr ago, current level of business is:

	<u>Up</u>	<u>Same</u>	<u>Down</u>
Quoting activity	58% (67%)	39% (24%)	03% (09%)
Shipments	68% (64%)	30% (33%)	02% (03%)
Order backlog	50% (60%)	43% (22%)	07% (18%)
Profits	54% (46%)	39% (42%)	07% (12%)
Employment	41% (47%)	49% (49%)	10% (04%)

Comments:

***"...just happy to have the doors open."
(machining)***

Finally! (manufacturing)

Definite softening. (castings)

Customers need to provide greater lead times. Today everything is in a hurry! (tools)

Still very hard to find qualified people. (machining)

Customers are hesitant to furnish forecasts.
(assemblies)

Hoping to ride this wave as long as possible.
(machining)

Hope this can keep going. (manufacturing)

Conflicting data. Media vs. real world. We are a very small job shop doing more with less, just happy to have the doors open. (machining)

I just want to retire! (tools)

And the Grinch, with his Grinch-feet ice cold in the snow, stood puzzling and puzzling, how could it be so?

It came without ribbons.

It came without tags.

It came without packages, boxes or bags.

And he puzzled and puzzled 'till his puzzler was sore.

Then the Grinch thought of something he hadn't before.

What if Christmas, he thought, doesn't come from a store.

What if Christmas, perhaps, means a little bit more.

- Dr. Seuss

TMTA MEMBERS IN THE NEWS

Reshoring by Michigan Manufacturers Brings New Business to Chesterfield Township, Michigan-Based Columbia Marking Tools

The reshoring phenomenon is now a reality for part marking and identification specialist **Columbia Marking Tools**. According to Tom Phipps, Columbia CEO, "We've recently seen significant new business for our marking equipment as a result of several Michigan-based manufacturers intentionally reshoring capital equipment purchases to local companies."

Phipps points out, "The tsunami in Japan and the floods in Thailand may have been 'the straw that broke the camel's back'. Over the past year, we've seen an increased number of inquiries with a renewed emphasis on engineering know-how, high quality and fast delivery. It has been a pleasure not to see cost as the only driver. It appears that the frustrations of the ever increasing shipping costs, the midnight phone calls and the poor delivery schedules have prompted companies to again look closer to home. We too have had to look for new sources here in North America to meet the needs of a number of components that we use in the manufacture of our own marking machines."

"It's incredible what you find when you step back and seriously evaluate purchasing the components offshore", Phipps explains. "The paper work is ridiculous, let alone the customs hold ups at both ends. The crating, handling and shipping costs are going out-of-site and God forbid the parts aren't the right ones when they arrive...and a lot of times they're not right...and then what. You start all over again. Our data reveals that 18 percent of the time the parts are wrong or damaged. Time is money...and lead times for the kinds of customers we have do not have much wiggle room...so you risk losing a customer. It's not worth it today, good customers are too hard to come by. I implore all companies to review the TLC (Total Landed Costs) in both time and dollars to add every person and place that touches an overseas order...it's worth the exercise."

"Recently we have received an order for a specially-designed roll marking machine to place part numbers on spark plugs for a large worldwide spark plug

manufacturer with facilities here in Michigan", Phipps says. "Reshoring was a priority for this project. We also have recently entered into a partnering agreement with ABI Systems, Inc. a designer and builder of special assembly machines to incorporate our marking systems capabilities into a series of assembly cells for a German suspension system manufacturer with operations here in Michigan."

Phipps adds, "Because the majority of the old assembly systems companies that used to dot the Detroit metropolitan area have long since gone, we have found that there again appears to be a real need for experienced assembly engineering design and build know-how with the ability to integrate a wide array of processes, knowledge of PLCs, motion integration and controls, testing, vision systems and ultimately the best methods of placing the required identification and traceability marks."

Phipps adds, "As North American manufacturers who still machine and design in-house, we were confident that reshoring was eventually going to happen because of the horror stories we've all heard about the poor quality of goods coming from those countries with cheap labor. I only hope we haven't lost all of the great manufacturing engineering minds that used to dominate our machine tool suppliers capabilities. Fortunately we have been able to hold on to our experienced people here at Columbia Marking Tools and there is also an experienced team of assembly systems engineers at ABI Systems, Inc. The future looks bright."

Columbia Marking Tools is a leading designer and manufacturer of metal and plastic marking equipment including stamps, roll marking dies, roll marking and impact marking machines, fully programmable pulsed fiber diode laser, peen/scribe marking and UID/2D Square ■ Dot® machines, numbering heads and special marking machines.

For Further Information:

Allan G. Hall
Hall Industrial Publicity, Inc.
1261 Romney Road
Bloomfield Hills, MI 48304
Telephone (248) 705-8272
FAX (248) 645-0906
alhall@industrialpublicity.com

Tom Phipps
Columbia Marking Tools, Inc.
27430 Luckino
Chesterfield Twp, MI 48047
Telephone (800) 469-MARK
FAX (586) 949-8401
tjp@columbiامت.com

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

(The Act continued from Page 3)

isn't more than one year after having been discharged or released from active duty in the U.S. Armed Forces (a maximum credit of \$4,800);

- \$14,000 for an individual who is a qualified veteran who has aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months (a maximum credit of \$5,600); and

The Wounded Warriors Tax Credit:

- \$24,000 for an individual who is a qualified veteran who is entitled to compensation for a service-connected disability and has aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months (a maximum credit of \$9,600).

While the Act extends the December 31, 2011 sunset date on WOTC for qualified veterans, it does not extend the date for any other targeted group under the 2010 Tax Relief Act (i.e.: families receiving Temporary Assistance for Needy Families, qualified ex-felons, qualified food stamp recipients, qualified Supplemental Security Income recipients, etc...).

State workforce agencies certify that an individual is a member of a targeted group to be eligible for the WOTC. Employers must complete Form 8850 no later than 28 days after the date the qualified new hire begins employment. The Act includes provisions to expedite certification of an individual as a qualified military veteran. The Act also allows the IRS to provide alternative methods for certification.

The Taxpayer Relief Act of 1997 authorized the IRS to collect overdue tax debts of individuals and businesses that receive federal payments by levying up to 15% of each payment until the debt is paid. In 2004, Congress increased the percentage to 100% in cases of certain payments due to vendors of services or goods sold or leased to the federal government. The Act authorizes the IRS to continuously levy at 100% on property as well as goods and services. This change is effective for levies issued after November 21, 2011.

The Patient Protection and Affordable Care Act provides a premium assistance tax credit for qualified individuals who obtain health insurance through a health insurance exchange after 2013. The Act revises the definition of Modified Adjusted Gross Income under Code Sec. 36B to include the portion of an individual's Social Security benefits that is excluded from gross income including

old-age benefits, disability benefits, spousal benefits, child benefits, parental benefits and Tier 1 Railroad Retirement benefits. The revised definition is effective on the enactment date, but applies for tax years ending after December 31, 2013 since the premium assistance credit won't apply until then.

For more information, consult your tax advisor.

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Oct	223.043	664.376	772.66*
Sept	223.688	666.299	774.90*
Aug	223.326	665.221	773.64*
July	222.686	663.314	771.43*
June	222.522	662.826	770.86*
May	222.954	664.113	772.36*
Apr	221.743	660.503	768.16*
Mar 2011	220.024	655.385	762.21*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Oct	226.421	678.258	778.80*
Sept	226.889	679.658	790.43*
Aug	226.545	678.628	789.23*
July	225.922	676.762	787.06*
June	225.722	676.162	786.37*
May	225.964	676.887	787.21*
Apr	224.906	673.717	783.52*
Mar 2011	223.467	669.409	778.51*

Note: October 2011 CPI-W represents a 3.9% increase from one year ago; CPI-U a 3.5% 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)

we afford, much less survive, two or four more years of the same...or worse? Good question. I know what my answer is and will be. I wish each of you the courage to conclude how what is really needed can be achieved and then attend at the November election and use the power of your 'X' on each ballot to move toward that end. Make no mistake, the election is the one certain opportunity to express yourself politically and see the immediate result. Messages are personalized and delivered directly to the recipients that way. Don't miss or misuse the opportunity. As a practical fact, it will not reappear for at least two years, or, in the case of the Presidency, four.

I also want to express my appreciation to each of our Board members (listed on the TMTA website) for their ongoing dedication and service to the membership and guidance to the Association and staff. I can honestly say that in my tenure at the TMTA I have constantly been blessed to have their support and friendship!

Not to be remiss, I also want to thank those members who have sought our assistance on a variety of issues over the year; those who have offered suggestions and certainly those who have assisted in arriving at satisfactory conclusions when help has been sought. We know that many issues present challenges to our members; we know that we stand ready to assist when approached; we do not read minds and, in the absence of an approach for assistance we cannot step up to help! There is much in the value proposition of membership made available to you but, it is only of value if you choose to take advantage of that that is offered.

We are aware that on occasion in the field of Workers Compensation Insurance situations arise when a member is faced with a somewhat immediate need to find new coverage. TMTA has arranged for a comprehensive Workers Compensation plan through our insurance agency and Harleysville Insurance. If you find yourself in that unfortunate position give us a call and we will set proceedings in motion for you.

Until next year, be safe and be happy!

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

**TMTA ENDORSED
SERVICE PROVIDERS**

Blue Cross Blue Shield/BCN

(Health insurance program)

TMTA contacts:

Bill Percha 586-904-9700 (cell)

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

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

Practical Power LLC

(Electrical savings program)

Provider contact:

Mark Bunting 248-726-7598

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:

Bill Percha 586-904-9700

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

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.

Happy Holidays!

*Our Very Best Wishes for a Safe and
Joyous Holiday Season
to Each of You and Your Families
From Your Staff at TMTA:*

*Rob Dumont,
Charlie Barnes,
Elaine Burger-Laskosky,
Stella Krupansky,
and
Ron Mariutto.*



Christmas/New Year Holiday Survey Results

Our sincere thanks to the companies that responded to this year's holiday survey.

		<u>Open</u>	<u>½ Open</u> <u>½ Closed</u>	<u>Closed</u> <u>Paid</u>	<u>Closed</u> <u>Unpaid</u>
12/22	Thurs	91%	3%	5%	1%
12/23	Fri	52%	10%	28%	10%
12/24	Sat	1%	3%	19%	77%
12/25	Sun	0%	0%	20%	80%
12/26	Mon	14%	0%	77%	9%
12/27	Tues	70%	0%	18%	12%
12/28	Wed	75%	0%	7%	18%
12/29	Thurs	75%	0%	12%	13%
12/30	Fri	44%	3%	44%	9%
12/31	Sat	6%	3%	15%	76%
1/1	Sun	0%	0%	23%	77%
1/2	Mon	42%	0%	56%	2%

tmta talk

TMTA TALK is a publication of the
Tooling, Manufacturing & Technologies Association

P.O. Box 2204

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

TMTA TALK is distributed free to all TMTA members.

Copyright © 2011 Tooling, Mfg. & Tech. Assoc. All Rights Reserved

Deadline for submission of news, articles, letters, cartoons
and Marketplace items is the 15th of each month.

Send/Fax to TMTA, Attention: TMTA Talk Editor.