

tmta talk

A publication of the
Tooling, Manufacturing &
Technologies Association

**FROM ROB'S
ROOST**
By ROB DUMONT
PRESIDENT & CEO

Is It Cause...Or Effect

Reflecting, as I sometimes do, on the current state of affairs in our great nation it occurred to me that it would be entirely too easy to despair and become cynical. After all, our national debt is in the stratosphere; unemployment in actual terms is well into the double digits; the administration is at once aimless and taking leave of responsible conduct and, all indicators point to precious little likelihood of improvement! Can this be a "first" in America?

Without in depth historical analysis I suspect not! Things are surely not good but if one has reference to the observations of many gone before us we get a strong sense that history might well be in a repetitive mode:

"In my many years I have come to a conclusion that one useless man is a shame, two is a law firm, and three or more is a



congress". — John Adams

"I contend that for a nation to try to tax itself into prosperity is like a man standing in a bucket and trying to lift himself up by the handle". — Winston Churchill

"A government which robs Peter to pay Paul can always depend on the support of Paul". — George Bernard Shaw

"I don't make jokes. I just watch the government and report the facts". — Will Rogers

"If you think health care is expensive now, wait until you see what it costs when it's free!" — P.J. O'Rourke

"No man's life, liberty or property is safe while the legislature

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tmta Calendar of Events April 2014	
15	Tax Day - Federal & State Income Taxes Due
16	TMTA Annual Meeting
20	Easter Sunday

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



90-Day Waiting Period Final Regs

The Department of Labor, the Department of Health and Human Services, and the Internal Revenue Service have issued Final Regulations on the 90-day waiting period requirement in the Affordable Care Act (ACA). The ACA prohibits group health plans from applying any waiting period that exceeds 90 days. It does not require an employer to offer coverage to any particular employee or class of employee, including part-time employees, but it bars an employer from requiring an otherwise eligible employee or dependent to wait more than 90 days before coverage under a group health plan becomes effective.

For the most part, the final regulations adopt the rules in the Proposed Regulations issued last March. The proposed regulations remain in effect for plan years starting in 2014. The final regulations are effective for plan years starting in 2015, however, employers may rely on the final regulations immediately.

Proposed regulations that remain in effect include:

- Holidays and weekends are counted toward the 90-day maximum. If day 91 falls on a holiday or weekend, the start date must occur before then, not after.
- Employers may use an hours bank as an eligibility condition as long as the hours do not exceed 1,200 before the waiting period would start.
- Employers may use a 12-month measurement period for variable-hour employees to determine if they meet eligibility requirements. Coverage must become effective no later than 13 months from the date of hire or the first of the next month if the date of hire was not on the first of the month.

The final regulations allow the following:

- Employers can require employees to complete a “reasonable and bona fide employment-based orientation period” before the waiting period starts providing the condition is not designed to avoid compliance with the 90-day waiting period limitation. The orientation period cannot

exceed one month and, for this purpose, one month is determined by adding one calendar month and subtracting one calendar day, measured from a coverage eligible employee’s start date.

- An employee, who retires with no expectation of providing further services, but is later rehired, can be subject to a new waiting period.

How Does PPACA Impact COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) was designed to bridge coverage for employees who lose their job or lose health coverage through their job. This was deemed necessary because individual policies were expensive and usually imposed pre-existing condition exclusions.

The Patient Protection and Affordability Care Act (PPACA) seeks to sever the link between employment and health care by creating state exchanges where individual coverage is supposed to be affordable and by prohibiting pre-existing condition exclusions.

Does that mean that the PPACA will render COBRA obsolete? The answer is no.

It is important to remember that the obligation and rules to offer COBRA coverage to individuals and dependents is still the law. While offering an individual the choice between heavily subsidized coverage in the PPACA’s insurance exchanges and paying full price under COBRA seems like a no-brainer, the choice is not that simple.

Under the PPACA exchanges, there is an assortment of health options and coverage levels that are generally priced lower than regular coverage. In addition, there are premium subsidies available to individuals with household incomes up to 400% of the federal poverty level.

COBRA could be cheaper than coverage on the exchange depending on an individual’s age. If an individual already met their out-of-pocket deductible costs with their employer plan, it could also be more costly for them to switch to an exchange plan. Individuals anticipating a short period before new group coverage becomes effective may choose to elect COBRA as a simpler bridge than moving into and out of an exchange plan. COBRA offers individuals a chance to keep their existing health care providers.

All-in-all, most experts believe that the majority of COBRA-eligible individuals will decline COBRA and ul-

timately elect coverage through the marketplace due to the premium subsidies and lack of maximum coverage periods.

Requirements of Abortion Insurance Opt-Out Act

BCBSM and BCN are working to meet the requirements of Michigan's Abortion Insurance Opt-Out Act (Act). The law became effective March 13, 2014 for all underwritten individual, small or large group plans of Michigan health care carriers. It does not affect self-funded groups.

The Act (Public Act 182 of 2013) says that if a group wants its health plan to cover or provide reimbursement for voluntary ("elective") abortion services, then the group must purchase an optional rider at an additional cost.

Elective abortion services include, but are not limited to, those related to birth defects, the health of the mother, rape or incest as required by Act. The Act defines elective or voluntary abortion as the intentional use of an instrument, device, drug or other substance to terminate a woman's pregnancy for a purpose other than to: increase the probability of a live birth; preserve the life or health of the child after live birth; remove a fetus that has died as a result of natural causes, accidental trauma or a criminal assault on the pregnant woman; use or prescribe a drug or device intended as a contraceptive; avert the death of the pregnant woman (when termination of the pregnancy is necessary in the physician's reasonable medical judgment); or treat a pregnant woman who is experiencing a miscarriage or who has been diagnosed with an ectopic pregnancy.

All BCBSM and BCN certificates now exclude coverage of elective abortions as defined by the Act. Additionally, BCBSM will apply the Act's definition for nonelective (medically necessary) abortion to abortion claims. Small and large underwritten groups will have the opportunity to purchase elective abortion coverage through an optional rider.

BCBSM and BCN will make benefit updates to meet the definition of the Act on a group's effective plan year as follows:

- BCN groups with effective plan years in January through March were updated on March 10, 2014. All other BCN groups will have their coverage updated on their 2014 plan year.
- BCBSM groups with effective plan years in January through March 2014 will have their coverage updated by March 31, 2014.

- All other BCBSM groups will have their coverage updated on their 2014 plan year.

If you would like to check to see if your BCBSM group currently has elective abortion coverage, the information can be found on the BCBSM Online Benefit Information system. For more information or if you have a BCN plan, contact your BCBSM/BCN agent-of-record.

Control Dust Mites, Control Allergy Symptoms by: Harvard Medical School Newsletter

Whatever your allergy treatment plan — from allergy shots to medications — you should know your triggers and take steps to avoid them. Dust mites are common — and plentiful — allergens. Fortunately, there is a lot you can do to limit your exposure to them.

These tiny members of the spider family are so small you can't see them with the naked eye. Take it on faith (and science!): if your house has a humidity of more than 50%, you have dust mites — lots of them. They live mainly in mattresses, bedding, pillows, and — for children — stuffed toys.

9 tips for ditching dust mites: The following tips can cut dust mites by 50% or more. If you follow these steps and allergy or asthma symptoms don't improve, other allergens in the environment may also be to blame.

- Encase bedding (mattress, box spring, pillows) in air-tight plastic or tightly woven, dust-mite repelling fabric covers.
- Wash bedding once a week in hot water (130° F) and dry in a hot-air dryer.
- Avoid using down pillows or comforters.
- Install hardwood, linoleum, or tiles rather than wall-to-wall carpeting. If you use washable throw rugs, follow the same washing routine as for bedding.
- Avoid laying carpet directly on concrete.
- Maintain humidity levels below 50%.
- Vacuum weekly, ideally using a vacuum with a HEPA filter. Vacuums with HEPA filters help keep dust particles where they should be — trapped inside the vacuum.
- Buy washable stuffed animals and wash them often in hot water.
- Use a damp mop or rag to remove dust. A dry cloth just stirs up mite allergens.



If you have any questions about either of the surveys, contact Ron at (248) 488-0300 ext. 1306 or e-mail to ron@thetmta.com.

Mark the Date on Your Calendar for Golf

You'll want to mark your calendars to hold the date for the 79th Annual TMTA Golf Outing and Dinner to be held on June 26, 2014.

Last year's event was such a success, we are returning this year to the Cherry Creek Golf Club in Shelby Twp. Details will be posted on our website, mailed to all members and printed in an upcoming issue of TMTA Talk as they become available.

We look forward to seeing you on June 26th!

TMTA Board of Director Ballots

Ballots for the TMTA Board of Directors will be sent to all member companies shortly.

This year 4 seats on the Board are up for election; directors are elected to serve 4-year terms. It is a voluntary position, but an extremely important one as the TMTA Board of Directors makes decisions that affect the Association and its member companies.

Please watch your mail for your ballot and shape tomorrow by voting today. Vote!

2014 Annual Wage Surveys Due

The TMTA 2014 Annual Hourly Wage Survey and the 2014 Annual Salary Wage Survey were mailed to all member companies earlier this month. Your company's completed data must be returned to TMTA no later than Friday, April 25, 2014.

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 wages information since its early years. The information we maintain is only as useful as the data we receive from you.

Changes Expected for Overtime Exemptions

President Obama issued a Presidential Memorandum directing the Secretary of Labor to propose regulations to modernize and streamline the regulations on 'white-collar overtime exemptions' under the Fair Labor Standards Act (FLSA). It is anticipated that the proposed revisions will seek to increase the salary level and revise the current job duties tests required for white-collar exemptions.

The FLSA establishes federal minimum wage and overtime pay standards that govern how and how much public and private sector employers must pay their employees. When the FLSA was enacted, it exempted the overtime requirement to "any employee employed in a bona fide executive administrative or professional capacity" but left the authority to define those terms to the Department of Labor (DOL). The exemption regulations have not been revised since 2004.

The primary update will be to increase the salary levels required for employees to be classified as overtime exempt. The threshold has only been updated twice in the last 40 years and has failed to keep up with inflation leaving millions of low-paid, salaried workers without overtime protections. Currently, an employee must earn a salary of at least \$455 per week to be considered exempt from overtime.

Under current rules, an employee can be an exempt employee if supervision is the employee's primary job duty, regardless of whether performing that duty consumes a majority of the employee's work time. Updated regulations will probably require employees to spend a set amount of their time performing exempt duties.

The procedure for adopting changes in federal regulations can be lengthy and the Presidential Memorandum does not set a timetable for the revisions. Proposed regulations need to be drafted by the DOL; go through a public notice, comment and hearing period; and then receive clearance from the Office of Management and Budget before the final regulations are issued.

TMTA will keep you informed of the proposed changes as they become known.

EEOC Issues Religious Garb and Grooming Guidance

A new publication of the U.S. Equal Employment Opportunity Commission (EEOC) was issued to help employers and employees understand religious accommodations under Title VII of the Civil Rights Act of 1964 (Title VII). The publication answers questions about how federal employment discrimination law applies to religious dress and grooming practices, and what steps employers can take to meet their legal responsibilities in this area.

Title VII prohibits employers with at least 15 employees (including private sector, state and local government employers, as well as employment agencies, union, and federal government agencies) from discriminating in employment based on race, color, religion, sex or national origin. It prohibits retaliation against persons who complain of discrimination or participate in an EEOC investigation.

In most instances, employers are required by federal law to make exceptions to their usual rules or preferences to permit applicants and employees to observe religious dress and grooming practices unless the accommodation would cause an undue hardship for the employer.

The publication is entitled *Religious Garb and Grooming in the Workplace: Rights and Responsibilities* and it may be found on the EEOC's website at www.eeoc.gov/eeoc/publications/qa_religious_garb_grooming.cfm.

Change to Employee vs Independent Contractor Under WDCA (prior to 1/1/13)

Late last year, the Michigan Court of Appeals overruled a 20+ year old standard defining who qualifies as an "employee" for purposes of the Michigan Worker's Disability Compensation Act (WDCA). If an individual is considered an employee under the WDCA, the benefits set forth in the WDCA are their exclusive remedy for any workplace injury. However, if an individual is not considered an employee but is instead considered an independent contractor under the WDCA, they are prohibited from any recovery under the WDCA and they would have the right to file a personal injury claim against the employer for any workplace accidents.

Section 161(1)(n) of the WDCA defines an employee as "every person performing service in the course of the trade, business, profession or occupation of an employer at the time of injury, if the person in relation to this service does not maintain a separate business, does not hold himself or herself out to and render service to the public,

and is not an employer subject to this act."

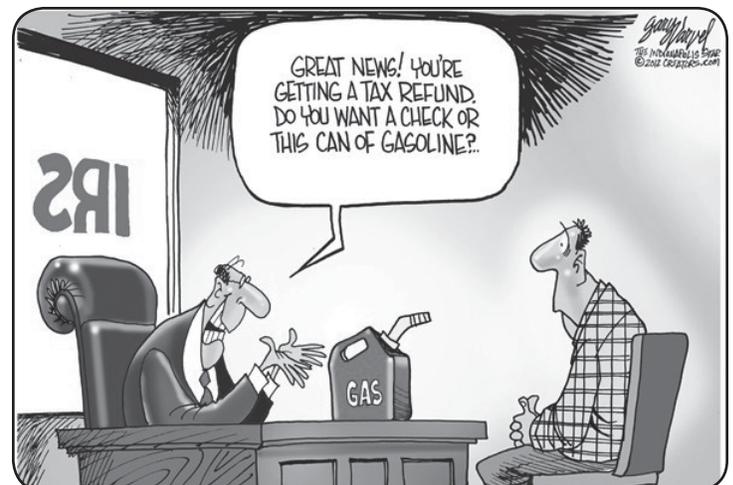
In 1992, the Michigan Court of Appeals, in *Amerisure Insurance Co. v Time Auto Transportation, Inc.*, ruled that a person must meet only one of the three criteria to be considered an independent contractor. In December of last year, a special seven judge panel of the Michigan Court of Appeals convened in the case *Auto-Owners Insurance Co. v All Star Lawn Specialists Plus*. The special panel overturned *Amerisure* and held that all three of the criteria must be met before a person is considered an independent contractor and denied coverage under the WDCA. The majority ruled the word "and" linked the three criteria and demonstrated legislative intent that all three conditions must be met.

Note: This decision will only impact cases involving injuries that occurred prior to January 1, 2013 as Michigan amended the WDCA so that independent contractor status will be determined by a 20-factor test used by the IRS for injuries occurring after January 1, 2013.



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

- ❖ **Vicore LLC** of Rochester Hills, MI; they provide cost effective Information Technology Solutions as well as a variety of cost saving computer and virtualization services; visit their website at www.vicoretech.com.



Is an Energy Efficient Lighting Project Right for My Business?

Lighting is a critical component of every small business. Employees must be able to see to perform their jobs, and objects and spaces must be aesthetically pleasing to encourage sales.

Depending on the type of business you operate, lighting accounts for 20% to 50% of electricity consumption. Increase your energy efficiency with cost effective, energy-saving technologies available to improve the performance of your lighting systems. Improving your lighting can mean big savings on your monthly energy bill and improve the comfort and quality of your facility.

Technology + Effective Design =
Performance and Energy Savings

So, which lights should I consider upgrading in my business?

HID Lighting — Metal halide, high-pressure sodium and mercury vapor.

T12 Troffers — Are the fixtures recessed in your drop ceilings, usually they are 2'x4'.

T12 Strips — These fixtures are generally either 4' or 8' in length and have one or two lamps.

Indoor these fixtures are found in office areas, warehouses, manufacturing areas and loading docks.

Outdoor these fixtures are lighting your parking lots, building entrances and landscaping.

All told, your energy costs can be 25%-80% less by switching to energy-efficient fixtures, according to Energy.gov.

Also, **companies like yours can qualify for a low interest loan through the "Michigan Saves" program.** With that you can replace old and inefficient equipment with no up-front out-of-pocket investment. You'll have up to 5 years for repayment — *that will be easily paid for with a fraction of your monthly savings.*

Contact **Practical Power Inc.**, TMTA's endorsed electrical savings provider, for a free site evaluation to see where to start an energy efficient project. Call Mark Bunting at 248-726-7598 today!

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

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Jan 2014	230.040	685.220	796.90*
Dec	229.174	682.639	793.90*
Nov	229.133	682.517	793.76*
Oct	229.735	684.311	795.85*
Sept	230.537	686.700	798.62*
Aug	230.359	686.169	798.01*
July	230.084	685.350	797.06*
June 2013	230.002	685.104	796.77*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Jan 2014	233.916	700.71	814.91*
Dec	233.049	698.110	811.89*
Nov	233.069	698.171	811.96*
Oct	233.546	699.601	813.62*
Sept	234.149	701.406	815.72*
Aug	233.877	700.593	814.78*
July	233.596	699.751	813.80*
June 2013	233.504	699.473	813.48*

Note: Jan 2014 CPI-W represents a 1.6% increase from one year ago; CPI-U a 1.6% 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)

is in session". – Mark Twain

"Talk is cheap except when Congress does it". — Anonymous

"The ultimate result of shielding men from the effects of folly is to fill the world with fools". — Herbert Spencer

"What this country needs are more unem-
ployed politicians". — Edward Langley

"The lessons of paternalism ought to be unlearned and the better lesson taught that while people should patriotically and cheerfully support their government, its functions do not include the support of the people". — Grover Cleveland

"To the vast majority of mankind nothing is more agreeable than to escape the need for mental exertion...To most people nothing is more troublesome than the effort of thinking". — James Bryce

...which may well be the answer to why we are in the regrettable condition we find ourselves in...

if we continue doing what we have for too long been doing, we can reasonably expect to get more of what we have been getting (out of Washington)!



Personnel Available:

Professional with an MBA Degree seeks position where one may lead or facilitate growth through innovation, culture, positive attitude and process improvement. Enjoys sales, trade shows, marketing, new product launches, machine tool innovation and new concept designing, fast changes, and relationship building. Position should offer exciting opportunity for growth and complex global opportunities. Open to relocation. Frequent local and international travel is expected.

Ask for **Resume 1401**.

**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

CAPTRUST (formerly Freedom One Financial)

(401(k) Retirement program)

Provider contact:

John Young 248-620-8100

Euler-Hermes - (credit insurance program)

Provider contact:

Jay Poplawski 248-355-1414, ext. 158

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

Results Systems Corporation

(Business management consulting)

Provider contact:

Paul Hindelang 248-244-8550

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.



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