

# tmta talk

A publication of the  
Tooling, Manufacturing &  
Technologies Association

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

## Looking Ahead

So we are told that 2014 was much improved for the economy, our industry and membership. That is good to hear of course but there remains much room for improvement. With 2015 on the near horizon let me, on behalf of the TMTA, its board of

directors and staff wish all a very Merry Christmas and a Happy and prosperous New Year!

The U.S.-China Commission is a creature of statute charged with monitoring developments in China and between China and the U.S. The Commission is mandated to report annually on its findings and has largely been ignored by government and recent administrations in terms of action on findings and or recommendations.

You may view the most recent report released on November 20, 2014 at [www.uscc.gov](http://www.uscc.gov).

If one were to look at the last several annual reports one would see that the  
*(Rob's Roost continues on Page 7)*

## Inside This Issue

- Page 2 Health News
  - BCBSM Coding Error Fixed
  - DOL FAQs on ACA
  - TMTA Group Life News
  - W-2 Preparation by Reliance
  - W-2 Add-ons for Life Insurance
- Page 3 2015 Mileage Rates  
RMDs Due by 12/31
- Page 4 2015 1st/2nd Qtr Business  
Trends Outlook Survey  
Christmas/New Year  
Holiday Survey Results
- Page 5 FYI
  - Skilled Trades Training Fund  
Program
  - 6 IRS Tips for Charity Gifts
- Page 6 In Memoriam  
Vincent V. Spica III  
Inflation Talk: CPI-W/CPI-U
- Page 7 Rob's Roost (continued)  
TMTA Endorsed Providers

*Merry Christmas and a Happy New Year!*



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

## tmta Calendar of Events December 2014

**24-25** Christmas Holiday  
TMTA Offices Closed  
Merry Christmas!

**30-01** New Year's Holiday  
TMTA Offices Closed  
Happy New Year!

Visit [www.thetmta.com](http://www.thetmta.com) for detailed,  
up-to-date information on all events.



## TMTA Group Life News

TMTA has offered a Group Life Insurance Plan since 1950. As a member, you can leverage TMTA's national buying power and shared risk while tailoring a life insurance plan to meet your company's individual employee and owner needs.

Group plans are available with options for: basic life insurance, accidental death and dismemberment insurance, short-term disability insurance, long-term disability insurance and dependent life insurance.

Our rates are highly competitive and come with a two-year rate guarantee. There are both employer-paid and voluntary (employee-paid) coverage options with no minimum participation rules for voluntary plans. Your company will receive a custom tailored life insurance plan with no medical questions asked, no matter how many employees you have.

To receive more information on the TMTA Group Life Insurance Program or to receive a free, no-obligation quote, contact Stella at 248-488-0300, ext. 1310 or TMTA's endorsed agent, Bill Percha, at 586-904-9700.

### BCBSM Corrects Coding Error Related to Diabetic Test Strips

Some BCBSM members were charged the generic copay instead of the brand-name copay for their diabetic test strips.

An error occurred when certain diabetic test strips were improperly categorized in the pharmacy claims system as generic instead of brand-name. Effective January 1, 2015, members will be charged the correct brand-name copay.

BCBSM will be sending letters to affected members and groups notifying them about the change.

### More FAQs Released About the ACA

The Department of Labor (DOL), the Health and Human Services (HHS) and the Treasury recently released new Affordable Care Act (ACA) FAQs.

The FAQs make it clear that employers are prohibited from providing a cash reimbursement to employees for the purchase of an individual market policy regardless of whether the reimbursement is on a pre-tax or an after-tax basis. Such an arrangement would be considered a group health plan subject to the Market Reforms. Thusly, Premium Reimbursement Arrangements are allowed providing they are structured to meet Market Reform rules. Violations of these requirements can result in substantial excise taxes to the employer.

Additional FAQs were also issued to clarify that employers may not offer employees with high claims risk a choice between enrollment in its standard group health plan and cash, as well as prohibiting the use of vendor sponsored Section 105 reimbursement plans as a way to assist eligible employees in accessing premium tax credits on the Marketplace.

FAQs and more information can be found at the DOL website at [www.dol.gov/ebsa/healthreform](http://www.dol.gov/ebsa/healthreform).

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

- Reliance Standard Life Insurance issues W-2's for long-term and short-term disability.
- Reliance provides the employer's match and 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.

### W-2 Add-On for Group-Term Life Insurance

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 (does not include pre-tax money).

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

Age at the end of taxable year	Cost per \$1,000 of insurance per month
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

*To illustrate:* take for example, an employee who has \$75,000 of group-term life insurance from January to June and \$125,000 from July to December. The employee is age 60 at December 31, 2014 and contributed \$100 after-tax dollars towards his life insurance premiums.

$\$75,000 - \$50,000 / 1,000 * .66 * 6 \text{ months}$	<u>\$ 99.00</u>
$\$125,000 - \$50,000 / 1,000 * .66 * 6 \text{ months}$	<u>\$297.00</u>
<i>Amount to add to W-2 wages</i>	<u>\$396.00</u>
<i>Minus amount paid by insured</i>	<u>\$100.00</u>
<i>Total amount added to W-2 boxes 1, 3 &amp; 5 and entered into box 12 with code "C"</i>	<u>\$296.00</u>

## 2015 Standard Mileage Rates

The IRS has issued the 2015 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on 1/1/15, the standard mileage rates are:

- 57.5 cents per mile for business miles
- 23 cents per mile for medical/moving
- 14 cents per mile for charitable organizations

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile and the rate for medical/moving is based on the variable costs. The charitable rate is set by law.

Taxpayers always have the option of claiming deductions based on the actual costs of using a vehicle rather than the standard mileage rates; however, a taxpayer may not use the business standard mileage rate for a vehicle after claiming accelerated depreciation, including the Sec-

tion 179 expense deduction, on that vehicle. Likewise, the standard rate is not available to fleet owners (more than four vehicles used simultaneously). More information can be found in Revenue Procedure 2010-51, the instructions to Form 1040, and various online IRS publications including Publication 17, Your Federal Income Tax.

## Most RMDs Due by 12/31

Taxpayers are reminded that generally, if born before July 1, 1944, they must receive payments from their individual retirement accounts (IRAs) and workplace retirement plans by December 31, 2014.

A required minimum distribution (RMD) is the minimum amount you must withdraw from your retirement account each year after reaching the age of 70-1/2. These RMDs must be paid by December 31 each year. A special rule allows first year recipients of these payments to delay their first payment only. An individual who reaches age 70-1/2 during 2014 may wait until as late as April 1, 2015 to receive their first RMD. Subsequent RMDs must be made by December 31 each year.

The RMD rules apply to owners of traditional IRAs but not Roth IRAs while the original owner is alive. They also apply to participants in various workplace retirement plans, including 401(k), 403(b) and 457(b) plans. Some people in workplace plans can wait longer to receive their RMDs. Usually employees who are still working can wait until April 1 of the year after they retire to start receiving these distributions, as long as their plan allows for it.

The RMD for 2014 is based on the taxpayer's life expectancy on December 31, 2014 and their account balance on December 31, 2013. An IRA trustee must either report the amount of the RMD to the IRA owner or offer to calculate it for the owner. It is often shown on the Form 5498 in Box 12b of the pervious year. Although the administrator may calculate the RMD, the retirement plan account owner is ultimately responsible for calculating the amount of the RMD. An IRA owner must calculate the RMD separately for each IRA that he/she owns, but can withdraw the total amount from one or more of the IRAs. The same for 4013(b) accounts; however, RMDs required from other types of retirement plans, such as a 401(k), have to be taken separately from each of those plan accounts.

The consequence for failing to take a RMD, or if the distribution falls short of the required amount, is a 50% excise tax required on the amount not distributed. For the year of the account owner's death, use the RMD the account owner would have received. For the year following the owner's

***(RMDs Due continued on Page 5)***

# 2015 First/Second Qtr. Business Trends Outlook Survey

Our 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.

## Comments:

***"It sucks again."***

Short/Quick lead times! (manufacturing)

It sucks again. (tools)

Working very hard for modest/minimal profits.  
(fabrications)

Would like employment to be up but can't find workers.  
(manufacturing)

All large companies are making profits off small companies because they are not allowing price increases. Too much work goes overseas.  
(machining)

### 1. Describe your company's operation:

Dies, Molds	11%	(12%)
Jigs, Fixtures, Gages	02%	(02%)
Engineering, Technology	00%	(00%)
Stamping, Forging, Casting	02%	(10%)
Manufacturing	25%	(32%)
Machining	25%	(15%)
Tools	12%	(07%)
Special Machines	05%	(00%)
Assemblies	00%	(00%)
Fabrications	09%	(05%)
Prototypes	02%	(00%)
Other	07%	(17%)

### 2. How is your business now?

Excellent	09%	(07%)
Very good	29%	(46%)
Good	45%	(25%)
Fair	13%	(20%)
Bad	04%	(00%)
Very bad	00%	(02%)

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

Increase substantially	05%	(05%)
Increase moderately	53%	(41%)
Remain the same	42%	(41%)
Decrease moderately	00%	(10%)
Decrease substantially	00%	(03%)

### 4. Current average work week:

Hours per week	47.4	(46.6)
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### 5. Current employment:

Hourly:	30.8	(32.5)
Salaried:	6.6	( 6.1)

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

	Up	Same	Down
Quoting activity	31% (34%)	58% (42%)	11% (24%)
Shipments	43% (47%)	41% (23%)	16% (30%)
Order backlog	39% (45%)	43% (23%)	18% (32%)
Profits	28% (36%)	56% (33%)	16% (31%)
Employment	33% (28%)	60% (54%)	07% (18%)

## Christmas/New Year Holiday Survey Results

Our sincere thanks to the companies that responded to this year's 2014/2015 holiday survey.

		½ Open	Closed	Closed	
		Open	½ Closed	Paid	Unpaid
12/22	Mon	100%	00%	00%	00%
12/23	Tues	96%	04%	00%	00%
12/24	Wed	20%	20%	46%	14%
12/25	Thurs	00%	00%	98%	02%
12/26	Fri	28%	00%	32%	40%
12/27	Sat	14%	00%	00%	86%
12/28	Sun	06%	00%	00%	94%
12/29	Mon	88%	00%	06%	06%
12/30	Tues	88%	00%	10%	02%
12/31	Wed	35%	19%	40%	06%
1/1	Thurs	00%	02%	96%	02%
1/2	Fri	44%	00%	26%	30%

**For more information about  
the TMTA, our advocacy, events  
and benefits, visit us at  
[www.thetmta.com](http://www.thetmta.com)**



## Skilled Trades Training Fund Program Awarded Funds

The Michigan Workforce Development Agency announced Michigan Strategic Fund approval of nearly \$8.6 million in Skilled Trades Training Fund program grants to 23 Michigan Works! Agencies (MWAs) around the state. These funds will be awarded to Michigan companies for skilled trades training to better match talent with employer needs.

Announced by Governor Snyder in 2013, the Skilled Trades Training Fund program provides competitive awards to MWAs to fund employer-driven training in high-demand occupations, including manufacturing. Participating businesses must commit to hire participants at the successful completion of classroom training, or in cases of on-the-job or incumbent worker training, to retain the employees at the completion of training.

Funds may be requested for a specific business with a demonstrated talent need. Demand is documented by the MWA to determine whether or not the skill sets needed are available in the current labor pool. Eligible businesses must demonstrate a need for training that will allow the business to compete, expand, and positively contribute to the local and state economy. An eligible trainee is any Michigan resident, 18-years of age or older.

Trainees, both existing employees and individuals to be hired, must be permanent, full-time employees of the business. Allowable training expenditures include the actual costs for classroom, on-site training and wage reimbursement for individuals to be hired, and apprenticeship training, along with any other reasonable cost required for the successful completion of training.

Once a potential business is identified, the MWA leads an on-site fact-finding evaluation session with the business to document the talent and requisite fiscal need. Once documented, the MWA officials work with the business to develop the necessary training plan, identify and document the number of individuals to be trained, and identify all available funding and resources to be used. A summary of the project is submitted for approval.

For more information on the Skilled Trades Training Fund program, visit the Workforce Development Agency at [www.michigan.gov/wda](http://www.michigan.gov/wda).

## 6 IRS Tips for Year-End Gifts to Charity

The IRS has issued these 6 tips to keep in mind when making year-end gifts to charity:

- 1 – Qualified Charities. You can only deduct gifts you give to qualified charities. Use the IRS Select Check tool on it's website to see if the group you give to is qualified. Donations to churches, synagogues, temples, mosques and government agencies are deductible even if they are not listed on the Select Check database.
- 2 – Monetary Donations. Gifts of money must have a bank record or a written statement from the charity to deduct them on your tax return. This is true regardless of the amount of the gift. The statement must show the name of the charity and the date and amount of the contribution.
- 3 – Household Goods. If you donate clothing or household items, they generally must be in at least good used condition to claim a tax deduction. If you claim a deduction of over \$500 for an item, it doesn't have to meet this standard if you include a qualified appraisal of the item with your return.
- 4 – Records Required. You must get an acknowledgment from a charity for each deductible donation, whether money or property, of \$250 or more. This statement is in addition to the records required for deducting cash gifts; however, one statement with all of the required information may meet both requirements.
- 5 – Year-End Gifts. You can deduct contributions in the year you make them. If you charge your gift to a credit card before the end of the year, it will count for 2014 even if you don't pay the credit card bill until 2015. Also, a check will count for 2014 as long as you mail it in 2014.
- 6 – Special Rules. Special rules apply if you donate a car, boat or plane to charity. Check the IRS website for rules.

For more information, visit the IRS website at [www.irs.gov](http://www.irs.gov).

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### ***(RMDs Due continued from Page 3)***

death, the RMD will depend on the relationship of the designated beneficiary.

If an employee is required to receive an RMD, that employee may opt to continue to make salary deferrals for the year, if the plan permits them.

For more information on RMDs, please contact your plan administrator or IRA trustee.

## In Memoriam



It is with deep sadness and regret that we note the passing of **Vincent V. Spica, III** on November 13, 2014 at the age of 79. He is survived by his loving wife, Elaine.

In 2013, after 25 years of ownership at **Invo Spline, Inc.** of Warren, MI, Mr. Spica retired to Savannah, GA. Invo Spline, Inc. is a major supplier of spline gages and master gears serving manufacturers of aircraft, automotive, farm and earth-moving equipment, businesses and industrial technologies throughout the U.S. and many foreign countries.

Mr. Spica was born in Isola Liri, Italy and came to the U.S. as a teenager. He served in the U.S. Army in the 1950's after which time he attended the University of Detroit earning a bachelor's degree in philosophy and a master's degree in international economics and politics.

Mr. Spica was an accomplished golfer and a longtime member of the Western Golf and Country Club in Redford, MI. There will be a bench named in his honor at the Resurrection Cemetery in Clinton Twp., MI.

Mr. Spica will be greatly missed by his family, friends and past employees. His family asks that memorial donations may be made in his name to a charity of your choice.

Our heartfelt condolences go out to his family and friends.

Find health-care reform information along with tax and pension limits, insurance forms, required and optional state and federal posters, workers' compensation forms, FMLA and COBRA information and forms, direct links to the OSHA chemical information database and the NIOSHA pocket guide to chemical hazards, and more at [www.thetmta.com](http://www.thetmta.com) by mousing over "Information/Networking" on the top navigation bar and choosing "Company Forms & Information."

## INFLATION TALK

### CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
<b>Oct</b>	<b>233.229</b>	<b>694.717</b>	<b>807.95*</b>
Sept	234.170	697.521	811.21*
Aug	234.030	697.105	810.72*
July	234.525	698.580	812.44*
June	234.702	699.107	813.05*
May	234.216	697.657	811.37*
Apr	233.443	695.356	808.69*
Mar 2014	232.560	692.725	805.63*

### CPI-U All Urban Consumers

Month	82-84	1967	57-59
<b>Oct</b>	<b>237.433</b>	<b>711.243</b>	<b>827.16*</b>
Sept	238.031	713.035	829.25*
Aug	237.852	712.498	828.62*
July	238.250	713.691	830.01*
June	238.343	713.970	830.33*
May	237.900	712.642	828.79*
Apr	237.072	710.162	825.90*
Mar 2014	236.293	707.830	823.19*

**Note: October 2014 CPI-W represents a 1.5% increase from one year ago; CPI-U a 1.7% 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)***

Commission has consistently found that China manipulates its currency to the great disadvantage of the U.S. and contrary to the rules of the World Trade Organization. Equally consistently, successive administrations have found 'no evidence' of currency manipulation and aside from talking a lot have had little if any success in correcting the problems.

Most recently there appeared an article in the MANUFACTURING & TECHNOLOGY NEWS under date of November 24, 2014 entitled U.S.-CHINA COMMISSION DESCRIBES THE TACTICS OF A ROGUE NATION INTENT ON DESTROYING THE U.S. ECONOMY, AND THE FEDERAL GOVT.'S FAILED RESPONSE. You can visit their website at [www.manufacturingnews.com](http://www.manufacturingnews.com). There is a sister article in the same edition entitled U.S. LOSES HUNDREDS OF THOUSANDS OF JOBS DUE TO GROWING TRADE GAP WITH CHINA. I reference these as indications of why the TMTA dedicates time and effort to these issue in Washington. I am quite certain that our efforts along with a number of similarly interested organizations have been critical in getting these concerns 'front and center' on the Hill not just at election time but on an ever increasing ongoing basis. We must and will continue the effort.

The TMTA annual meeting of the members is scheduled for Wednesday April 15, 2015, venue yet to be determined. I mention that now because early in the New Year we will be seeking representatives from member companies who would be willing to run for a position on the TMTA Board. More about the mechanics of that effort will appear next month. I would invite you to consider making that sort of commitment to the TMTA. The board meets monthly on the third Wednesday of the month in the morning and meetings are usually over before noon.

Should you want more information or if you have questions please feel free to e-mail me at [rob@thetmta.com](mailto:rob@thetmta.com) or contact me by phone at the association offices.

This year the annual TMTA Golf Outing will be our 80th! We have the longest consecutive running association outing in the country and we plan to make this year very special indeed. Cherry Creek Golf Club will again be the venue for the outing and the date is Thursday June 25, 2015—just 6 months to the day after Christmas or, if you prefer, before next Christmas. So mark your calendar and plan to attend.

*Seasons Greetings*

**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](http://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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# TMTA TALK NEWSLETTER

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