

tmta talk

A publication of the
Tooling, Manufacturing &
Technologies Association

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

TPP and Currency: Real Teeth or IMF Minus?

by: Charles Blum
International Advisory Services Group LTD
Washington D.C.

Currency manipulation has plagued the world economy since the 1930s. The rules and procedures of the International Monetary Fund (IMF) were intended in part to ensure no repetition of the disastrous currency wars that contributed to the Great Depression. They have never worked over the past 70 years for a lack of enforcement tools, and today 40 percent of the world economy operates behind the barriers created by undervalued currencies. Mercantilist currencies policies are the archenemy of free trade and should not be tolerated in "free trade clubs" such as the TPP.

Unfortunately, negotiators seem to have missed the chance to make a significant change for the better. Despite the Congressional instruction, there is no currency provision within the TPP itself. Instead, the Treasury negotiated a "Joint Declaration of Macroeconomic Policy Authorities" that fails to improve on, and in one way actually undermines, existing obligations.

(Rob's Roost continues on Page 7)



Happy Thanksgiving!

Wishing you abundant blessings, peace and happiness.

Now and always.

TMTA

Inside This Issue

- Page 2 Health News
Flexible Spending Accounts
2016 Health Care Plan Limits
- Page 3 Health News (continued)
BCBSM Same-Gender Riders
BCBSM Requesting Information
Most RMDs Due by 12/31
- Page 4 2016 1st/2nd Qtr. Business
Trends Survey Results
Christmas/New Year
Survey Results
Cigar Bar Evening - 12/2/15
- Page 5 2016 Retirement Limits
- Page 6 In Memoriam
Irvin Frank Swider
Inflation Talk: CPI-W/CPI-U
- Page 7 Rob's Roost (continued)
Tax Incentive Presentation
Given to TMTA Board
TMTA Endorsed Providers

tmta Calendar of Events

Nov/Dec 2015

26-27	Thanksgiving Holiday TMTA Offices Closed Happy Thanksgiving!
12/7	National Pearl Harbor Remembrance Day Moment of Silence-12:55pm EST

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



Health Flexible Spending Accounts

The IRS reminds eligible employees that now is the time to begin planning to take full advantage of their employer's health flexible spending account (FSA) during 2016.

FSAs provide employees a way to use tax-free dollars to pay medical expenses not covered by other health plans. Because eligible employees need to decide how much to contribute through payroll deductions before the plan year begins, many employers are offering their employees the option to participate during the 2016 plan year.

Interested employees wishing to contribute during the new year must make this choice again for 2016, even if they contributed in 2015. Self-employed individuals are not eligible.

An employee who chooses to participate can contribute up to \$2,550 during the 2016 plan year. Amounts contributed are not subject to federal income tax, Social Security tax, or Medicare tax. If the plan allows, the employer may also contribute to an employee's FSA.

Throughout the year, employees can then use funds to pay qualified medical expenses not covered by their health plan, including co-pays, deductibles and a variety of medical products and services ranging from dental and vision care to eyeglasses and hearing aids. Interested employees should check with their employer for details on eligible expenses and claim procedures.

Under the use-it-or-lose-it provision, participating employees often must incur eligible expenses by the end of the plan year, or forfeit any unspent amounts. But under a special rule, employers may, if they choose by plan amendment, offer participating employees more time through either the carryover option or the grace period option. Employers can offer either option, but not both, or none at all.

Under the carryover option, an employee can carry over up to \$500 of unused funds to the following plan year — for example, an employee with \$500 of unspent funds at the end of 2016 would still have those funds available to use in 2017. Under the grace period option, an employee has until 2½ months after the end of the plan year to incur

eligible expenses — for example, March 15, 2017, for a plan year ending on Dec. 31, 2016.

2016 Health Care Plan Limits

Health Savings Account (HSA) Limits:

HSAs are a means of paying health care expenses under a high deductible health care plan. Contributions may be made by the employer or the employee, but the total annual contribution amount from both sources cannot exceed the lesser of the plan's deductible for the year or the maximum contribution amount for the year. The 2016 plan limits are as follows:

Maximum Contribution Limit:

single:	2015 - \$3,350	2016 - \$3,350
family:	2015 - \$6,650	2016 - \$6,750
catch-up (age 55):	2015 - \$1,000	2016 - \$1,000

Minimum Required Deductible Limit:

single:	2015 - \$1,300	2016 - \$1,300
family:	2015 - \$2,600	2016 - \$2,600

Maximum Out-of-Pocket Spending Limit:

single:	2015 - \$ 6,450	2016 - \$ 6,550
family:	2015 - \$12,900	2016 - \$13,100

Please note: those under age 65 (unless totally and permanently disabled) who use HSA funds for non-qualified medical expenses face a penalty of 20% of the funds used for such expenses and the funds are also subject to income tax.

Additionally, while the ACA allows parents to add their adult children up to the age of 26 to their health plans, the IRS definition of a qualified dependent (child or relative) who may be covered under an employee's HSA is different. (See IRS code section 152 for a full definition of who is a qualified dependent.)

Health Flexible Savings Account (FSA) Limit:

The limit on voluntary employee salary reductions for contributions to a health flexible spending account:

2015 - \$2,550	2016 - \$2,550
----------------	----------------

Long-Term Care Premium Limits:

The limits under Section 213 for eligible long-term care premiums that qualify as medical expenses for the 2016 tax year based on attained age before the close of the taxable year are:

Age 40 or less	2015 - \$ 380	2016 - \$ 390
>40 but < 50	2015 - \$ 710	2016 - \$ 730
>50 but < 60	2015 - \$1,430	2016 - \$1,460
>60 but < 70	2015 - \$3,800	2016 - \$3,900
>70	2015 - \$4,750	2016 - \$4,870

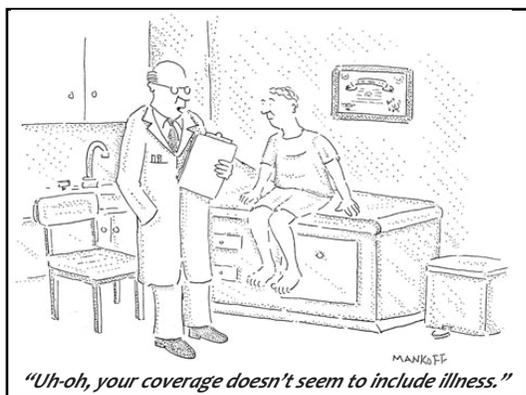
BCBSM Updates Same-Gender Domestic-Partner Riders

The U.S. Supreme Court's decision on June 26, 2015 requires states to issue marriage licenses to same-gender couples and recognize same-gender marriages performed in other states. As a result, BCBSM is no longer making same-gender domestic-partner riders available to new fully insured groups and the riders will be phased out for groups that currently have them.

BCBSM will continue to accept new domestic partners and their dependents for coverage while phasing out the same-gender domestic-partner rider. Normal enrollment process rules apply, and members who marry their partners can enroll them as spouses once the marriage occurs. Same-gender couples must be legally married to add a spouse to their coverage. The process to enroll a same-gender spouse is the same as enrolling an opposite-gender spouse.

BCBSM Requesting Information

BCBSM/BCN are mailing letters to certain subscribers to comply with IRS reporting requirements. As required by IRS section 6055 reporting requirements, the Blues is reaching out to subscribers if they do not have a taxpayer identification number for each member on the subscriber's health care plan. The taxpayer identification number is most likely a Social Security number.



Most RMDs Due by 12/31

Taxpayers are reminded that generally, if born before July 1, 1945, they must receive payments from their individual retirement accounts (IRAs) and workplace retirement plans by December 31, 2015. The rules apply to owners of various workplace plans including 401(k), 403(b) and 457(b) as well as traditional, Simplified Employee Pension (SEP) and Savings Incentive Match Plans for Employees (SIMPLE) IRAs (but not Roth IRAs while the original owner is alive).

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 2015 may wait until as late as April 1, 2016 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 2015 is based on the taxpayer's life expectancy on December 31, 2015 and their account balance on December 31, 2014. 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 previous 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 403(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 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.

CAPTRUST is the TMTA endorsed service provider for member 401(k) retirement plans. Contact John Young at (248) 620-8100 for more information about retirement plan options for your company.

2016 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.

1. Describe your company's operation:

Dies, Molds	16%	(07%)
Jigs, Fixtures, Gages	13%	(07%)
Engineering, Technology	00%	(00%)
Stamping, Forging, Casting	05%	(06%)
Manufacturing	24%	(24%)
Machining	24%	(28%)
Tools	02%	(04%)
Special Machines	05%	(02%)
Assemblies	00%	(00%)
Fabrications	02%	(09%)
Prototypes	02%	(02%)
Other	07%	(11%)

2. How is your business now?

Excellent	07%	(04%)
Very good	14%	(33%)
Good	48%	(31%)
Fair	25%	(28%)
Bad	02%	(04%)
Very bad	04%	(00%)

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

Increase substantially	05%	(04%)
Increase moderately	44%	(40%)
Remain the same	49%	(52%)
Decrease moderately	02%	(04%)
Decrease substantially	00%	(00%)

4. Current average work week:

Hours per week	47.1	(53.6)
----------------	------	--------

5. Current employment:

Hourly:	32.0	(30.9)
Salaried:	6.7	(6.2)

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

	Up	Same	Down
Quoting activity	22% (35%)	39% (35%)	39% (30%)
Shipments	32% (33%)	32% (43%)	36% (24%)
Order backlog	18% (26%)	43% (46%)	39% (28%)
Profits	21% (33%)	44% (45%)	35% (22%)
Employment	20% (33%)	60% (47%)	20% (20%)

Comments:

***"Need skilled machinists."
(special machines)***

Purchased a new mill. Hired a new machinist. Overall, this has been a very good year. (machining)

Cannot hire good toolmakers. (jigs, fixtures or gages)

Steel & Mining markets traditionally are 45% of revenue, currently 18%. China dumping steel... (manufacturing)

Energy industry is down due to low oil prices. (machining)

Christmas/New Year Holiday Survey Results

Our sincere thanks to the companies that responded to this year's 2015/2016 holiday survey.

		Open	½ Open ½ Closed	Closed Paid	Closed Unpaid
12/21	Mon	100%	0%	0%	0%
12/22	Tues	100%	0%	0%	0%
12/23	Wed	86%	14%	0%	0%
12/24	Thurs	6%	10%	74%	10%
12/25	Fri	0%	2%	96%	2%
12/26	Sat	6%	2%	2%	90%
12/27	Sun	6%	2%	0%	92%
12/28	Mon	72%	0%	10%	18%
12/29	Tues	74%	0%	8%	18%
12/30	Wed	74%	0%	10%	16%
12/30	Thurs	16%	12%	66%	76%
01/01	Fri	0%	0%	100%	0%

TMTA Cigar Evening 12/2/15

TMTA members and guests are invited to join TMTA & Citizens Bank for a Cigar Evening on Wednesday, December 2, 2015 from 6:00 p.m. to 9:00 p.m. at the Got Rocks Diamond Crown Cigar Lounge located upstairs inside the acclaimed Big Rock Chophouse at 245 South Eton Street in Birmingham.

The event is free but limited to the first 60 participants. The reservation form is included in this edition of TMTA Talk and may be faxed to TMTA at 248-488-0500.

We look forward to seeing you there!

2016 Annual Retirement Limits Announced

Each year the IRS releases the statutory cost-of-living adjustments to dollar limits as they relate to qualified retirement plans and Social Security. For most limits, the amount will not change for 2016 since the increase in the cost-of-living index did not meet the statutory thresholds that trigger their adjustment. Thus, the limitations for 2016 are as follows:

Income Subject to Social Security Tax:

The Social Security Wage Base (Medicare has no wage limit):

2015 - \$118,500 2016 - \$118,500

The Social Security tax rate is 6.20% on earnings up to the applicable taxable maximum amount. The Medicare tax rate is 1.45% on all earnings. However, in order to help pay for health care reform, the employee Medicare tax rate increases to 2.35% at the point when an individual's earnings exceed \$200,000 (\$250,000 for joint filers and \$125,000 for persons who are married but filing separately).

Employee Pre-Tax Contribution Limit:

The maximum amount your employees can defer pre-tax in 401(k), 403(b) and 457(b) employee contributions (402(g)(1) limit):

2015 - \$18,000 2016 - \$18,000

The maximum employee contribution to a Simple Plan (408(p)(2)(E) limit):

2015 - \$12,500 2016 - \$12,500

Catch-Up Contribution Limits:

The maximum additional contribution that employees age 50 and over may contribute after reaching the 401(k) annual contribution limit (414(v)(2)(B)(i) limit):

2015 - \$6,000 2016 - \$6,000

The maximum additional contribution that employees age 50 and over may contribute after reaching the Simple Plan limit (414(v)(2)(B)(ii)):

2015 - \$3,000 2016 - \$3,000

Annual Compensation Limit:

The maximum compensation that can be counted for all compliance testing and contribution allocation purposes (401(a)(17), 404(l), 408(k)(3)(C), and 408(k)(6)(D)(ii) limit):

2015 - \$265,000 2016 - \$265,000

Defined Contribution 415 Limit:

The maximum dollar amount that an employee can contribute to all qualified plans in both employee or employer contributions and forfeiture allocations (415(c)(1)(A) limit):

2015 - \$53,000 2016 - \$53,000

Highly Compensated Employee Limit:

The threshold limit for defining who is a Highly Compensated Employee as defined by IRS regulations (414(q)(1)(B) limit):

2015 - \$120,000 2016 - \$120,000

Key Employee Officer Compensation Threshold:

The threshold limit for defining who is a key employee in a top-heavy plan under 416(i)(1)(A)(i):

2015 - \$170,000 2016 - \$170,000

Defined Benefit Plan Annual Benefit & Accrual Limit:

The limitation on the annual benefit under a defined benefit plan under Section 415(b)(1)(A):

2015 - \$210,000 2016 - \$210,000

Traditional IRA Limits:

Individuals making contributions to an Individual Retirement Account the annual limit is:

2015 - \$5,500 2016 - \$5,500

The maximum additional catch-up contribution for individuals over age 50 to an IRA:

2015 - \$1,000 2016 - \$1,000

Federal Estate and Gift Tax Limits:

The IRS has announced the following for estates of decedents who die during 2016 and gift tax limits:

Basic estate exclusion amount of:

2015 - \$5,430,000 2016 - \$5,450,000

Annual exclusion for gifts:

2015 - \$14,000 2016 - \$14,000

CAPTRUST (formerly Freedom One Financial Group) is the TMTA endorsed service provider for member retirement plans.

Contact John Young at (248) 620-8100 for more information about retirement plan options for your company.



In Memoriam



It is with deep sadness and regret that we note the passing of **Irvin Frank Swider** on October 22, 2015 at the age of 88. Mr. Swider was the owner of **Future Products Tool Corporation** located in Troy, MI; and owner and founder of **Metal Punch Corporation** located in Cadillac, MI. He is survived by his beloved wife of 60 years, Doris; loving father of Mary, Susan, DorisMarie, Irvin, Alesia, and Eric; and cherished grandfather of 12.

Mr. Swider was born in Detroit and after proudly serving in the U.S. Navy, he attended Wayne State University. He was a member of the football team and the Sphinx Club and graduated in 1950. He worked as a 6th grade teacher at Von Steuben Elementary in Detroit and later as a salesman at Acme Tool. In 1963 he acquired Future Products and in 1973 he established Metal Punch Corporation. He served as Chairman of both companies until 2015. He brightened the lives of his employees with his personal dedication to them and often credited them for the true success of his companies.

Mr. Swider loved tennis; handball; jogging; travel; and, most of all, his family and friends. He was charitable with his time and possessions. His principles, loyalty, generosity, compassion, dependability, wisdom and faith allowed him to have a significant impact on all who came to know him.

Irvin Swider will be greatly missed by the many people who loved and admired him. Memorial donations may be made in his name to Camp Cavell Conservancy (benefitting children with muscular dystrophy) at 3335 Lakeshore, Lexington, MI

48450 or the Guadalupe Social Services, Attn: Casa Maria Soup Kitchen at 211 Ninth Street South, Immokalee, FL 34142.

Our heartfelt condolences go out to his family and friends.

INFLATION TALK

CPI-W Urban Wage Earners and Clerical Workers

Month	82-84	1967	57-59
Sept	232.661	693.025	805.98*
Aug	233.366	695.127	808.43*
July	233.806	696.436	809.95*
June	233.804	696.431	809.94*
May	232.908	693.763	806.84*
Apr	231.520	689.626	802.03*
Mar	231.055	688.243	800.42*
Feb 2015	229.421	683.374	794.76*

CPI-U All Urban Consumers

Month	82-84	1967	57-59
Sept	237.945	712.777	828.95*
Aug	238.316	713.890	830.24*
July	238.654	714.902	831.42*
June	238.638	714.855	831.36*
May	237.805	712.357	828.46*
Apr	236.599	708.746	824.26*
Mar	236.119	707.306	822.59*
Feb 2015	234.722	703.122	817.72*

Note: September 2015 CPI-W represents a -0.6% increase from one year ago; CPI-U a 0.0% 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)

The Declaration:

- Entails a commitment that is narrower than IMF Article 4. The Declaration pledges that TPP countries will “avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage.” The IMF obligation prohibits the prevention of adjustment to *unbalanced trade flows* as well, but the Declaration omits that. In terms of obligations, this is IMF minus.
- Requires regular reporting on foreign exchange intervention and reserve holdings. Many countries already supply this data to the IMF regularly, so this is at best a modest improvement in transparency.
- Establishes regular consultations among the macroeconomic authorities. This will be in addition to the periodic meetings of IMF officials, APEC, the G-7, the G-20 and bilateral consultations. Japan, whose currency has fallen by 55% since Prime Minister Abe took office, is a full participant in most existing fora. The value of one more venue for consultations is highly debatable.
- Adds no new or enhanced enforcement tools. Neither the IMF nor the U.S. government has any more “teeth” to enforce the watered down commitments.

The bottom line is the negotiators have failed to produce even a modest step forward toward an effective currency provision. With the TPP negotiations concluded, the only alternative effective response would seem to be enactment of the Currency Reform for Fair Trade Act (H.R. 820) or its equivalent such as Title VII of the Customs Enforcement legislation that passed the Senate. Either would mandate the use of WTO-consistent remedies to injurious currency subsidies. That would be a modest first step toward confronting mercantilist currency policies, and it's long overdue.

Tax Incentives Presentation Given to TMTA Board

The Alliantgroup appeared before the TMTA Board of Directors on November 18, 2015 to make a presentation on the Research & Development tax credit and other corporate tax incentives. Please see the very informative article by Alliantgroup on the homepage of our website 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

Call-A-Doctor - (Telehealth Program)

Provider contact:

Ed Stines 248-524-3221, ext. 21

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. - (roofing)

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.



28237 Orchard Lake Rd., #101
Farmington Hills, MI 48334

PRSR STD
U.S. POSTAGE
PAID
PERMIT NO 176
FARMINGTON HILLS, MI

TMTA TALK NEWSLETTER

tmta talk
TMTA TALK is a publication of the
Tooling, Manufacturing & Technologies Association
28237 Orchard Lake Rd. #101 Phone (248) 488-0300
Farmington Hills, MI 48334 Fax (248) 488-0500
www.thetmta.com
President and CEO — Robert J. Dumont
Editor, Designer — Elaine F. Burger-Laskosky
Copyright © 2015 Tooling, Mfg. & Tech. Assoc. All Rights Reserved.

Please patronize the companies
on our **Made In America** page at
www.thetmta.com.



**Confused about Health Care?
Contact Bill Percha
at 248-355-1414
(Tell Bill that TMTA sent you!)**