

# tmta talk

A publication of the  
Tooling, Manufacturing &  
Technologies Association

**FROM Rob's  
Roost**  
By Rob Dumont  
PRESIDENT & CEO

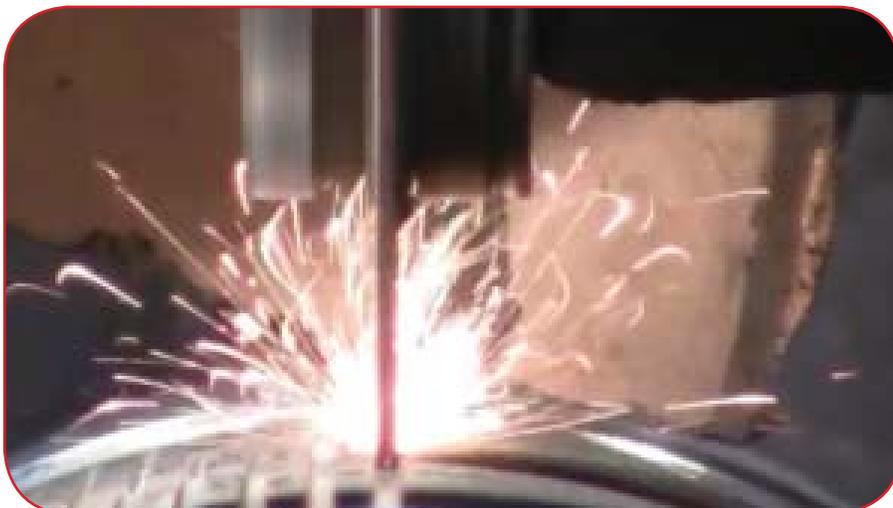
## Much Ado About Somethings

The Michigan Legislature has adopted as law two proposed ballot measures — Michigan's Earned Sick Time Act (ESTA) and the Improved Workforce Opportunity Wage Act (IWOWA). The process started when initiatives related to each collected a sufficient number of signatures to qualify for the November 2018 election. Michigan's State Constitution provides that qualifying ballot measures go through the State Legislature. The Legislature may adopt a proposal as-is, it may reject the proposal and have voters determine the proposal's fate, and/or the Legislature may propose a different version for voters to also consider. The Legislature chose the first option and adopted the proposal as written.

Utilizing that procedure legislators removed the proposal from the November ballot and retained the ability to amend the law with a simple majority vote. Had the proposal remained on the ballot and been passed by the voters a three-fourths vote would be required in the Legislature to amend the proposal.

The Michigan Legislature has considered an amendment to the law and the Governor has signed the new ESTA legislation. Employers with fewer than 50 employees are exempt from the provisions. To those with 50 or

*(Rob's Roost continues on Page 7)*



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## tmta Calendar of Events

**December 2018**

<b>24/ 25</b>	Christmas Holiday TMTA Offices Closed Merry Christmas to All!!
<b>31/ 01</b>	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..



### 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. Report it as wages in boxes 1, 3, and 5 of the employee's Form W-2. Also show it in box 12 with code "C."

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

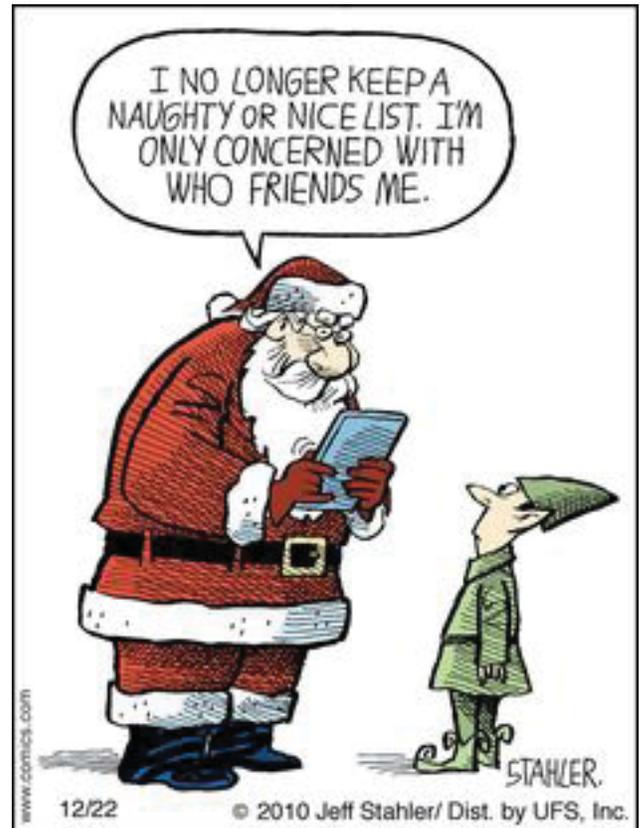
To illustrate: take for example an employee who has \$75,000 of group term life from January to June and \$125,000 from July to December. The employee is age 60 at December 31, 2018. The employee is not a key employee and he pays \$100 per year toward the cost of his insurance.

$\$75,000 - \$50,000 / 1,000 \times .66 \times 6 \text{ months}$	\$ 99.00
$\$125,000 - \$50,000 / 1,000 \times .66 \times 6 \text{ months}$	\$297.00
	\$396.00
Minus amount employee contributes	<u>-\$100.00</u>
Total to add to W-2 wages	\$296.00

### Notice for TMTA Groups Who Participate in the Disability Program

#### W-2 Preparation for TMTA Groups:

- 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.



## 2019 Health Care Plan Limits

### **Health Savings Account (HSA) Limits:**

HSAs are a means of paying health care expenses under a high deductible healthcare plan (HDHP). 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 2019 plan limits are as follows:

#### **Maximum Contribution Limit:**

single:	2018 - \$3,450	2019 - \$3,500
family:	2018 - \$6,900	2019 - \$7,000
catch-up (age 55):	2018 - \$1,000	2019 - \$1,000

#### **Minimum Required Deductible Limit:**

single:	2018 - \$1,350	2019 - \$1,350
family:	2018 - \$2,700	2019 - \$2,700

#### **Maximum Out-of-Pocket Spending Limit:**

single:	2018 - \$ 6,650	2019 - \$ 6,750
family:	2018 - \$13,300	2019 - \$13,500

### **Medical Savings Account (MSA) Limits:**

MSAs are similar to HSAs but the restrictions on who qualifies to participate are stricter and contributions may be made by the employee or the employer but not both in the same year. The limits on MSAs are as follows:

#### **Maximum Contribution Limit:**

single:	2019 - \$3,250
family:	2019 - \$6,550

#### **Minimum Required Deductible Limit:**

single:	2019 - \$2,200
family:	2019 - \$4,350

#### **Maximum Out-of-Pocket Spending Limit:**

single:	2019 - \$4,350
family:	2019 - \$8,000

### **Long-Term Care Premium Limits:**

The limits under Section 213 for eligible long-term care premiums that qualify as medical expenses for tax years beginning in 2019 based on attained age before the close of the taxable year are:

Age 40 or less	2018 - \$ 420	2019 - \$ 420
>41 to 50	2018 - \$ 780	2019 - \$ 790
>51 to 60	2018 - \$1,560	2019 - \$1,580
>61 to 70	2018 - \$4,160	2019 - \$4,220
>71 or over	2018 - \$5,200	2019 - \$5,270

## Most RMDs Due by 12/31

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 2019 may wait until as late as April 1, 2020 to make their first RMD. Subsequent RMDs must be made by December 31 each year.

If you delay taking an RMD for the first time until the next year, you'll have to take two minimum distributions during that calendar year. This can put you in a higher tax bracket for that year, significantly increasing the tax you owe.

If you have more than one retirement plan, you'll need to calculate the RMD of each plan separately. However, you may add the RMD amounts of all IRAs and withdraw the total amount from any one or more of your IRAs. The same applies to 401(b) accounts.

If you have accounts in several 401(k) or other employer-sponsored plans, the IRS generally requires you to calculate a separate RMD for each retirement plan in which you participate and withdraw the appropriate distribution from each plan.

The RMD is based on the taxpayer's life expectancy on December 31, 2018 and their account balance on December 31, 2017. 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.

The consequence for failing to take an RMD, or if the distribution falls short of the required amount it, 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.

A young child with light hair, wearing dark pajamas with a light-colored heart pattern, stands in profile looking towards a Christmas tree. The tree is decorated with warm white lights, red ornaments, and a white angel ornament. The scene is dimly lit, with the primary light source being the tree's lights, creating a cozy holiday atmosphere.

# ***Happy Holidays!***

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

*Rob Dumont,  
Charlie Barnes,  
Elaine Laskosky,  
and  
Rachel Hindelang.*

# 2019 Annual Retirement Limits Announced

Each year the IRS releases the cost-of-living dollar limits as they relate to qualified retirement plans and Social Security. The limitations for 2019 are as follows:

## **Income Subject to Social Security Tax:**

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

2018 - \$128,400      2019 - \$132,900

The Social Security (SS) tax rate is 6.20% on earnings up to the applicable taxable maximum amount. The Medicare tax rate is 1.45% on all earnings. The employee Medicare tax rate increases to 2.35% at the point when an individual's earnings exceeds \$200,000 (\$250,000 for joint filers and \$200,000 for persons who are married by filing separately).

The average monthly SS payment will rise by \$2.8% which is the biggest cost-of-living adjustment (COLA) since 2012. This will make an average increase of \$39 a month for those on SS payments. In previous years, small increases in SS were offset by rising Medicare premiums, which are typically deducted from benefit payments. But for 2019, Medicare Part B premiums only went up by \$1.50 so most retirees should notice a small raise in their SS checks. This year, people turning 62 (born in 1957) won't be eligible for full retirement benefits until they reach the age of 66 and 6 months.

## **Employee Pre-Tax Contribution Limit:**

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

2018 - \$18,500      2019 - \$19,000

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

2018 - \$12,500      2019 - \$13,000

## **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):

2018 - \$6,000      2019 - \$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)):

2018 - \$3,000      2019 - \$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):

2018 - \$275,000      2019 - \$280,000

## **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):

2018 - \$55,000      2019 - \$56,000

## **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):

2018 - \$120,000      2019 - \$125,000

## **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):

2018 - \$175,000      2019 - \$180,000

## **Defined Benefit Plan Annual Benefit & Accrual Limit:**

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

2018 - \$220,000      2019 - \$225,000

## **In a side note on Estate Taxes:**

The IRS has announced that estates of decedents who die during 2019 have a basic exclusion amount of \$11,400,000 (up from \$11,180,000 in 2018). The annual exclusion for gifts remains at \$15,000 for 2018 and 2019.

**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.



# OSHA Top 10 Safety Violations List

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) has announced their yearly top 10 most-cited workplace violations for fiscal year 2018 (October 1, 2017 thru September 30, 2018).

The announcement was made at the National Safety Council (NSC) Congress and Expo, as it is every year.

Most of the violations were the same as last year with one new addition.

OSHA's top 10 most cited violations for 2018 (with 2017's numbers also listed) are:

**Fall Protection - General Requirements**(1926.501) –  
7,216 violations (6,887)  
Frequent violations included failure to protect open sides and edges, to prevent falls from roofs, and to cover holes.

**Hazard Communication** (1910.1200) –  
4,537 violations (4,652)  
Frequent violations included failure to have a written program, inadequate employee education and training, improper or no labels on containers, and no material safety data sheets or lack of access to them.

**Scaffolding** (1926.451) –  
3,319 violations (3,697)  
Frequent violations included problems with scaffold construction, improper access to scaffolding surfaces, and lack of guardrails.

**Respiratory Protection** (1910.134) –  
3,112 violations (3,381)  
Frequent violations included no written respiratory protection program, poor fit-test procedures, unsuitable respirator selection process, and lack of procedures for voluntary use of respirators.

**Lockout/Tagout** (1910.147) –  
2,923 violations (3131)  
Frequent violations included poor or no energy control procedures, inadequate worker training, and inspections not completed.

**Ladders** (1926.1053) –  
2,780 violations (2,567)  
Frequent violations included damaged side rails, use of top ladder step, inappropriate ladder for the job, and excessive loads on ladders.

**Powered Industrial Trucks** (1910.178) –  
2,281 violations (2,349)  
Frequent violations included inadequate operator training and refresher training, and poor conditions of trucks when returned to service after repair.

**Fall Protection - Training Requirement** (1926.503) –  
1,978 violations (1,724)  
Frequent violations concerns mandatory training requirements for employers in regards to fall protection.

**Machine Guarding** (1910.212) –  
1,969 violations (2,109)  
Frequent violations included point-of-operation exposures, inadequate or no anchoring of fixed machinery, and exposure to blades.

**Personal Protective and Life Saving Equipment  
Eye and Face Protection** (1926.102) —  
1,528 violations (unranked for 2017)  
Frequent violations for not using appropriate personal protective equipment for workers exposed to eye or face hazards, such as particles and chemical gases or vapors.

The first violation is OSHA's most frequently cited standard for the eighth consecutive year. The top five violations remained unchanged for the fourth straight year. The last violation is a newcomer.

According to Patrick Kapust, deputy director of OSHA's Directorate of Enforcement Programs, the top ten represent the most frequently cited standards, and they are a good place for the employer to start to identify hazards in their own workplace. Another good tool is available on OSHA's website and it is a page that allows users to research the frequently cited OSHA standards by industry.

The most important thing for employers to do to help the OSHA inspection process go smoothly is to remember to participate in the inspection and ask questions about the things you don't understand. During the walkaround, compliance officers may point out some apparent violations that can be corrected immediately. While the law requires that these hazards be cited, prompt correction is a sign of good faith on the part of the employer. Compliance officers are taught to try to minimize work interruptions and to keep confidential any trade secrets they observe.

For more information, visit the Department of Labor's website at [www.osha.gov](http://www.osha.gov) or TMTA's endorsed workers' compensation provider, Jay Poplawski at 248-355-1414, ext. 158.

***(Rob's Roost continued from Page 1)***

more employees sick leave accrues at the rate of one hour for every 35 hours worked and there is a maximum of 40 hours accrued in a year.

Employees, however, covered by a Collective Bargaining Agreement (CBA) that is in effect on the effective date of the law will not be subject to the law until the CBA expires. Regardless of what the CBA says of continued validity, once the CBA expires, employees will be covered by the law.

Leave accrues for employees on the effective date of the law or when employment begins — whichever is later — at the rate of at least one hour for every thirty-five hours worked.

For employees hired post April 1, 2019, employers may require that they wait until the 90th calendar day after commencing employment before using accrued leave.

Reporting and record keeping requirements fall to the employer and will be both extensive and onerous. The employer must provide written notice to each employee of all the following information: the amount of leave required under the law; the employer's choice of how to calculate a "year"; the terms under which leave may be used; that retaliatory personnel action against an employee for requesting or using leave is prohibited; and the employee's right to bring civil action or file a complaint with the Department of Licensing & Regulatory Affairs for any violation.

There is a requirement that the employer display conspicuously in the workplace a 'language appropriate' poster containing the information in the required notice.

IWOWA, amended and now signed into law, provides a series of annual increases in the state's minimum wage, eventually reaching \$12.05 per hour in 2030. The former minimum wage law signed in 2014 was tied to the rate of inflation. The new IWOWA is not tied to inflation.

Looking ahead to 2019, note that the TMTA Annual Meeting of the members will be on the Third Wednesday of April — April 18, 2019. Mark your calendar, we'd love to have you attend.

The 2019 Golf Outing will be at Cherry Creek Golf Club on June 27, 2019.

More information on each event will be forthcoming as the dates approach.

**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

**G-Tech Lighting** - (Electrical savings program)

Provider contact:

Mark Bunting 248-690-6564

**John M. Packer & Associates**

(Unemployment cost control program)

Provider contact:

Brian Packer 800-482-2971

**Ralph C. Wilson Agency, Inc.**

(Insurance management)

Provider contact for Benefits coverages:

Robert Farris 248-355-1414, ext. 109

Provider contact for P&C and WC coverages:

Jay Poplawski 248-355-1414, ext. 158

**Reliance Standard/Ameritas**

(Life/Dental insurance programs)

TMTA contacts:

Bill Percha 586-904-9700

Rachel Hindelang 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 800-787-6300 or [www.svsvision.com](http://www.svsvision.com)

**Schena Roofing & Sheet Metal Co., Inc.** - (roofing)

Provider contact:

586-949-4777

**Schooley-Mitchell** - (telecom/credit card management)

Provider contact:

Sean Fox 513-683-8881

***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.***



**Confused about Health Care?  
Need help finding the right insurance?  
Individual & Group Coverages Available**

**Contact Bill Percha  
at 248-355-1414  
(Tell Bill that TMTA sent you!)**



## **tmta talk**

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28237 Orchard Lake Rd. #101 Phone (248) 488-0300  
Farmington Hills, MI 48334 Fax (248) 488-0500  
[www.thetmta.com](http://www.thetmta.com)

President and CEO — Robert J. Dumont  
Editor, Designer — Elaine F. Burger-Laskosky

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## **INFLATION TALK**

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

Month	82-84	1967	57-59
<b>Oct 18</b>	<b>247.038</b>	<b>735.850</b>	<b>855.79*</b>
Sept	246.565	734.441	854.15*
Aug	246.336	733.760	853.36*
July	246.155	733.221	852.73*
June	246.196	733.343	852.87*
May	245.770	732.074	851.40*
April	244.607	728.609	847.37*
March 18	243.463	725.202	843.40*

### **CPI-U All Urban Consumers**

Month	82-84	1967	57-59
<b>Oct 18</b>	<b>252.885</b>	<b>757.532</b>	<b>881.00*</b>
Sept	252.439	756.194	879.44*
Aug	252.146	755.317	878.42*
July	252.006	754.898	877.33*
June	251.989	754.848	877.87*
May	251.588	753.647	876.48*
April	250.546	753.647	872.85*
March 18	249.554	750.524	865.91*

**Note: October 2018 CPI-W represents a  
2.7% increase from one year ago;  
CPI-U a 2.5% 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