



REVIEW



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“This is the age of the common man, they tell us... a title which any man may claim to the extent of such distinction as he has managed not to achieve.”

Ayn Rand

GREATER CLEVELAND

NECA LEGISLATIVE CONFERENCE

Mike Joyce, David Haines, Gerry Higgins and I attended the Conference in Washington, D.C. The issues at the national level continue to be repeat issues from the last 5-10 years. There is little that happens anymore unless there is a crisis either real or imaginary.

Issues:

- 1.) Support a permanent solution to estate tax reform.
- 2.) Support the Building Star Energy Efficiency Act of 2010.
- 3.) Help eliminate employers inappropriately misclassifying workers as independent contractors.

4.) Repeal the 3% government withholding tax.

5.) Relief for multiemployer pension plans.

We visited the Congressional offices of LaTourette, Kucinich, Sutton, Fudge and the Senate offices of Voinovich and Brown.

Congressman LaTourette actually took time to discuss the issues as did Senator Brown.

The NECA government affairs staff is doing a superlative job in communicating the NECA story and expressing the needs of the employers.

HEALTH CARE REFORM

A list of some of the key provisions:

- 1.) Year 2010—10% tax on indoor tanning salon services.
- 2.) Subsidies for small businesses to provide coverage to employees.
- 3.) Insurers prohibited from denying coverage to children. Children can be covered to age 26.
- 4.) Year 2011—annual fees levied on drug makers.
- 5.) Long term care—pay premiums for 5 years and become eligible for support payments.

6.) Medicare tax rises to 2.35% from 1.45%.

7.) New 3.8% tax on unearned income.

8.) Limit contributions to flexible medical savings accounts to \$2,500 per year.

9.) Insurance industry must pay annual fee of \$8 billion which rises to \$14 billion by 2018.

10.) Medicare board must begin by the year 2014 to make recommendations to curb spending.

The above is only a brief overview of what is coming the next few years.





WORKERS COMP

There will be an overall rate decrease of 3.9% effective July 1, 2010. This means the overall rates for private employers are 35% lower than the policy year 2007.

Rate changes are based on the manual classifications therefore some classifications may be slightly higher or lower than the average 3.9% decrease.

FINANCIAL

- 1.) Stocks look forward and economic statistics look backward.
- 2.) It is the big ticket durable goods that fall off during recessions.
- 3.) Major companies have record levels of cash on their balance sheets.
- 4.) 2010 consensus estimates are far greater than 30% earnings growth in the U.S. and higher abroad.
- 5.) Energy is a very long cycle problem.

- 6.) Dividends are poised to make a comeback.
- 7.) It is expected that increased infrastructure spending around the world will continue.
- 8.) Employment growth is expected to continue in a sluggish manner.
- 9.) A five to ten percent correction is likely this summer in the stock market.
- 10.) More than 80% of uranium used in nuclear plants is contracted under long-term deals.

OSHA

Under 29 CFR subpart 1926 (E) - Personal Protective and Life Saving Equipment—Protective equipment including personal protective equipment for eyes, face, head and extremities, protective clothing, respiratory devices and protective shields and barriers, shall be provided, used and maintained in a sanitary and reliable condition whenever it is necessary by reason of hazards of processes or environment, chemical hazards, radiological hazards or

mechanical irritants encountered in a manner capable of causing injury or impairment in the function of any part of the body through absorption, inhalation or physical contact.

You should remind all your supervision to remember this very important issue when working.

PENSIONS

This month we have all three Divisions with pension meetings. LU #38 is May 14th, LU #129 is May 17th and LU #673 is May 18th. Each Fund is facing issues including status under the Pension Protection Act (PPA,) changes in benefits and, or funding, selection of new professional firms such as actuaries and other issues which impact your workers and the cost of doing business.

Pension Funds along with health care have become challenging business costs that have far reaching ramifications for the entire industry. As the government keeps changing the rules it becomes more and more difficult to meet the requirements and to manage all the additional administrative paperwork.

ANNUAL GOLF OUTING

Mark your calendars now—**Monday, June 28, 2010 at the Barrington Country Club.**

LOOK FOR THE NEXT REVIEW IN JUNE 2010!