

# MTM Manufacturing Technology Mutual Insurance Company

Monthly Newsletter for March 2011



Participant in the Michigan Property & Casualty Guaranty Association



## FROM THE DESK OF GARY WOOD

There are at least two things about March that, in my opinion, make it the best of all months. Daylight savings starts and according to the calendar spring begins. I have in the past also included the opportunity to tell my favorite St. Patrick's Day story but I will forego that annual rite and hopefully there will be other things to laugh about.

Just when it seemed the US economy had started to show some viability and had gained some life of its own, the politics of the oil producing and consuming nations across the world have come under close observation. Recently Libya's unrest has sent the pump price of gasoline higher even though that country only supplies about 3% of our annual consumption.

It has become a world (not whirled) economy and if you are not in it or trying to get in it you might be left behind. Over the weekend I caught some of the talking head television that endlessly grinds out statistics and opinions on real and observed statistics. Despite all of our concerns about China and the growth of China, the U.S. economy is still the largest economy and will be for some time. The U.S. economy is not however the fastest growing economy which means eventually, barring any unknowns, China will overtake our international importance in the world economy. Just last year General Motors sold more automobiles in China than in the U.S.

So to continue to plan locally without thinking globally is a short coming that has to be addressed by a healthy manufacturing community in this state.

### YOUTH EMPLOYMENT;

Every so often I get a call from a policyholder about hiring minors in a manufacturing environment. Usually I try to explain in my own words what is and is not acceptable from the viewpoint of the State of Michigan.

Since we are getting close to the time of year that many students are seeking some form of employment (and I got another call about the problem) I have found the attached document on the state's website which details the rules as they pertain to the employment of minors. Hopefully you will retain the attachment for future reference.

Part of the law references penalties; the illegal employment of minors, requires your insurer to pay double indemnity payments for any injuries. There may be additional provisions which make the illegal employment of minors even worse.

A few years ago I was contacted by a person that owned a

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shop and allowed minors to illegally operate power equipment when they were short-handed. To make a long story short, a minor was injured and the owner was found criminally negligent. There were severe penalties and that owner was volunteering their time speaking about the problem and the serious outcome she suffered as a result of not being aware of the legal requirements that apply to every employer in the state.

### AUDIT REMINDER;

Please be responsive to the requests of our contract audit firms that are trying to schedule audits. Our office contact for the process is Glenda Moyle (glenda.moyle@mtmic.com) and she can assist you if you have any questions either in preparation for the audit or after you receive the results. We have deadlines that we need to meet and it is important to get the information in our hands as soon as practical.

*~Make Safety A Permanent Company Objective~*

## HAND PROTECTION: VARIOUS PRODUCTS

### Ruth Kiefer, Loss Control

One of the most frequent worker injuries that occur in manufacturing is due to lacerations to employee's fingers and hands. According to the Bureau of Labor Statistics, there are approximately 110,000 lost time hand injuries each year. Around 30% of those injured are wearing inadequate gloves, and the remaining 70% were wearing no gloves at all. Two leading US sheet metal manufacturers conducted research and determined that injuries requiring stitches will cost between \$22,000 and \$30,000. These cost estimates included; shutting down the assembly/manufacturing line, cleaning the area, medical costs including ambulance transportation, and rehabilitation. (Source: www.OH&Sonline.com)

Listed below are the most common cut-resistant fibers used in today's industrial glove market. I am not listing leather, because in most cases it has to be so thick that it leaves the employee with limited dexterity. With all the high-tech engineered fibers out today, there are many to choose from that best fit your situ-

ation and workers needs for performance.

**Dyneema:** is an ultra-high molecular weight, polyethylene (UHMWPE) fiber used in making cut-resistant gloves. It is used in lightweight gloves that are palm-coated with polyurethane and sponge nitrile for tasks requiring high dexterity. It also is used in gloves with higher cut-resistant engineered yarns. There are over 200 types of gloves bearing these ingredients and available in different styles to meet your needs. This glove should not be used around open flame or sparks. (Source: DSMbrand) For test pair go to: [www.gloves.dyneema.com](http://www.gloves.dyneema.com)

**Kevlar:** Also known as the "original" cut-resistant synthetic fiber created by DuPont in 1965. It is used to manufacture gloves designed to protect users from cuts, abrasions, and heat. Kevlar based protective gear is often considerable lighter and thinner than gear made from more traditional materials. Kevlar yarns are used within gloves for jobs ranging from oily sheet metal handling (lightweight 13-gauge knits) to automotive manufacturing (heavier knitted and terry-cloth configurations). Offer both cut and thermal protection. (Source: Dupont)

**High performance polyethylene (HPPE)** is a generic term for fibers not trademarked in ultra-high molecular weight classes, are cool filament fibers with very high abrasion resistance. Used as lightweight gloves coated with polyurethane or sponge nitrile for dexterity, flexibility, oil grip or dry grip. HPPE also is used in engineered-yarn gloves to produce higher cut resistance for various applications such as machining, scrap metal, glass handling, and automotive.

**Aramids** are a generic class of heat-resistant and strong synthetic nylon fibers used in the aerospace, military, and rated body armor fabrics. The properties of this material are similar to Kevlar. Aramids can range from lightweight 13 gauge knits to heavier knitted and terry-cloth configurations to handle oily sheet metal in automotive manufacturing industries.

**Engineered yarns** are any of the above cut-resistant fibers that can be combined with stainless steel, glass, polyester, Lycra, or anti-microbial fibers to achieve specific desired results.

With all these types of fabrics now available to allow dexterity and protection the reasons for not wearing gloves should be reduced. The Bureau of Labor Statistics (BLS) surveyed hand-injuries and found reasons for not wearing gloves included: not practical or hard to work with them on (57%), not required to wear them (39%), unsafe to wear gloves for the work they were doing (23%), did not think they were needed (18%), and not allowed to wear them (12%) (More than one response was permitted in the BLS study).

It has been proven that the risk of an acute traumatic hand injury could be significantly reduced if workers wear the proper gloves. Workers are more likely to wear gloves if they are 1) required to do so by the employer and 2) if the subject received adequate safety training on the task. A Personal Protective Equipment Hazard Assessment should be conducted to determine if there is a need for material handling gloves and when they should be used.

If you have any further questions concerning glove selection, please contact your loss control consultant for further information. It should be noted that we do not endorse any particular

glove or supplier and can only guide you in your selection. Additionally, it is the ultimate responsibility of the employer to adequately protect their workforce.

(Other Sources: Safety & Health; January 2011, Wikipedia)

## CLAIMS CORNER

### Donna Motley, Claims Manager

**A NEW GOVERNOR SWEEPS CLEAN!** On February 23, 2011, newly elected Governor Snyder issued an Executive Order. Per this order, ten departments will be reorganized. The newly formed Administrative Hearing System will assume control of all functions of the Workers' Compensation Board of Magistrates and Workers' Compensation Appellate Commission. This change becomes effective April 25, 2011.

We can pretty much figure out "why" things are being changed, but the order explains it as follows:

"To increase efficiency and to assure effective delivery of adjudicative services, The Executive Director of the Michigan Administrative Hearing System shall establish and continuously reassess assignment, scheduling, productivity, or other performance standards for hearing officers, administrative law judges, magistrates, board members, and commissioners assigned to the Michigan Administrative Hearing System."

This may change who hears and decides a contested Workers' Compensation claim. Currently there are 14 magistrates assigned with 5 of those magistrates moving between dockets. It is unknown at this time if all, some or none of the magistrates and commissioners will retain their positions. The Court of Appeals and Supreme Court will remain unchanged.

If you have ever experienced a litigated Workers' Compensation case, you are aware nothing moves quickly. The magistrate that heard the last case I took to trial, took 18 months to write the decision; and the decision, while 51 pages, was a mess and is currently on appeal. The magistrate that wrote the decision (that granted an open award) was not reappointed.

The rules of evidence and law that apply at Workers' Compensation hearings or the appeal process will not change. We will keep you posted as matters proceed.

The order also abolishes the position of Automobile and Home Insurance Consumer Advocate and the position of Chief Energy Officer.



## WORK PERMITS IN MICHIGAN

### FACT SHEET

According to the Youth Employment Standards Act, P.A. 90 of 1978, as amended (Section 409.106), work permits shall be issued in the form prescribed by the Department of Education. The work permit forms (CA-6 and CA-7) were last revised in October 2006 and should replace existing work permit forms. **Michigan's Youth Employment Standards Act of 1978 requires employers to have work permits for employed minors. The permit certifies the age and compliance with labor laws prior to the minor starting work.**

#### Who Needs a Work Permit?

Any minor who is 11 up to 18 years of age and not specifically exempted from the Youth Employment Standards Act (P.A. 90 of 1978) and who works in a paid or unpaid position, must have a work permit. The minimum age for employment is 14 years, except that a minor 11 years of age or older may be employed as a golf or bridge caddy. A minor 13 years of age or older may be employed in certain farm operations or setting traps for trap skeet or sporting clays. Additionally, a minor, at least 11 years of age, may be employed as a youth athletic performance referee.

#### Who Issues Work Permits?

Permits are issued by the Chief Administrator (usually Superintendent) of a school district, intermediate school district, public school academy, or non-public school in which a minor resides or in which the minor's place of employment is located. Superintendents often designate staff in their central offices or in the middle/high schools to issue work permits. This person is typically referred to as the Issuing Officer. **NOTE: That person must be authorized, in writing by the Chief Administrator, and the issuance of work permits must be part of his/her job description. The written authorization must be kept in the person's personnel file and/or personal file on site. The Department of Education and/or Energy, Labor & Economic Growth do not receive copies; the letter is to be kept locally only.**

#### Types of Work Permits

Form CA-6 must be printed on pink paper and is used for minors who are under 16 years of age.

Form CA-7 must be printed on yellow paper and is used for minors who are 16 and 17 years of age. Instructions for completing and issuing CA-6 and CA-7 Work Permit and Age Certificate Forms are on the back of the respective forms. These instructions are a formal part of the work permit and must be printed on the back in order to be considered valid.

A completed work permit allows a minor to be employed only by the employer who completes the "offer of employment" section (Section II of the form). CA-6 and CA-7 work permits are valid until a minor turns 18 or graduates from high school as long as the minor remains continuously employed by the same employer.

Minors may obtain single copies of work permit forms from their local school issuing officer.

#### What is the procedure to legally employ minors with Work Permits?

The Minor obtains the CA-6 or CA-7 from the issuing officer of his or her school district and completes Section I. The Minor takes the form to the prospective Employer who completes Section II, offer of employment. *The following is a check-off of information needed from the employer:*

- Name and address of employer
- Job duties/tasks to be performed by minor (employers need to be specific)
- Equipment/Tools to be used by minor
- Applicant's job title
- Hourly wage
- Hours of employment, including start and ending times
- Employer's signature, title, date signed, and telephone number

## MICHIGAN WORK PERMITS:

CA-6 form is for minors under 16 years of age

CA-7 form is for minors 16 and 17 years of age

Permits are needed before work starts

Hours must comply with state and federal laws and rules

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Issuing Officers cannot fill in blank sections or issue the work permit if any part of the form is incomplete. This information needs to be accurate because issuing officers must certify that the information provided by employers conforms to state and federal laws and regulations. The employer then gives the form to the minor and the following steps must be completed before the minor can begin work:

- Minor takes form to school district's issuing officer (minor must appear in person)
- Issuing officer verifies age of minor using best available evidence of age
- Issuing officer verifies that employers "offer of employment" complies with state and federal laws and regulations
- Issuing officer fills in "number of hours in school" section
- Issuing officer verifies the form was signed by student and employer
- Issuing officer issues work permit by completing the school's name and address, signing and dating form, and keeping a copy along with deviations and other documentation connected to the work permit on file until graduation plus 7 years
- Minor returns the completed original form to the employer
- Minor may now begin work

The process for minors who are home schooled remains the same, except, the minor must provide a signed, written statement from the parent or guardian, as instructor of record, indicating how many hours per week the student is being home schooled. The issuing officer must review the statement and issue the work permit with those hours reflected in the "number of hours in school" section. The original statement is attached to the original work permit to be given to the employer. The issuing officer keeps a copy of the statement and work permit for retention. Employers must keep a copy of the work permit or the original CA-6 or CA-7 on file at the place of employment for as long as the minor is employed. Employers must continue to monitor student hours in school and at work, provide supervision, and monitor work activities to assure that students are working in a safe and healthy environment.

#### HOURS MINORS ALLOWED TO WORK

Employers subject to coverage by both state and federal laws must comply with the more stringent provisions of the two laws. The following are hours and times that are allowable for minors:

#### **Under 16 years of age Hours of Work Covered by Federal Law (business gross annual sales exceed \$500,000 or interstate commerce):**

Minors 14 and 15 years of age may work:

1. 3 hours a day while school is in session; 8 hours a day on non-school days.
2. 40 hours in a non-school week; 18 hours in a school week.
3. Not before 7:00 a.m., only after school and only until 7:00 p.m., while school is in session.
4. From 7:00 a.m. until 9:00 p.m. during school summer vacation (June 1 - Labor Day). **Hours of Work Covered by State Law:** Minors under 16 years of age may work:
  1. 6 days in 1 workweek.
  2. A weekly average of 8 hours per day.
  3. 10 hours in one day.
  4. 48 hours in 1 workweek, school and work combined.
  5. Not more than 5 hours continuously without a documented 30 minute uninterrupted meal or rest period.
  6. Between 7:00 a.m. and 9:00 p.m., but not during school hours.

**16-17 years of age Hours of Work:** Minors 16 years of age and older may work:

1. 6 days in 1 week.
2. A weekly average of 8 hours per day.
3. 10 hours in one day.

4. 48 hours in 1 week, school and work combined.
5. Not more than 5 hours continuously without a documented 30 minute uninterrupted meal or rest period.
6. Between 6:00 a.m. and 10:30 p.m.
7. Until 11:30 p.m. Friday and Saturday, and when not regularly attending school, i.e., summer vacation.

Minors ages 16-17 may be employed when school is not in session in agricultural processing for not more than 11 hours in 1 day, 62 hours in 1 workweek, with consent from the minor and written permission from the minor's parent or guardian, and not between 2:00 a.m. and 5:30 a.m. Deviations from starting and ending times for age 16 and 17 year old minors are permitted under Michigan's child labor

laws. Contact the Wage & Hour Division of the Michigan Department of Energy, Labor & Economic Growth for more information.

### RESTRICTED OCCUPATIONS FOR MINORS

Under Michigan and Federal child labor laws, many occupational job duties are restricted to a certain age, or prohibited under age 18. Employers subject to coverage by both state and federal laws must comply with the more stringent provisions of the two laws. Minors under the age of 18 years are prohibited from working in a hazardous or injurious occupation. Hazardous work includes, but is not limited to:

- Motor Vehicle Driving (on public roads and waterways)
  - Power-Driven Woodworking Machines
  - Exposure to Hazardous Substances, Chemicals, Explosives or Radioactive Substances
  - Power-Driven Hoisting Apparatus, including lift truck, forklift, bobcat, etc.
  - Power-Driven Metal-Forming, Punching, and Shearing Machines
  - Power-Driven Bakery Machines
  - Power-Driven Paper-Products Machines
  - Power-Driven Circular Saws, Band Saws, and Guillotine Shears
  - Roofing Operations
  - Excavation Operations
  - Construction Work, including painting
  - Logging and Sawmill Operations
  - Mining Operations
- Slaughtering, Meat Packing, Rendering, and Tanning Operations  
Deviations from hazardous occupations for age 16 and 17 year old minors are permitted under Michigan's child labor laws. Exemptions from hazardous orders are also allowed under federal child labor laws for students enrolled in related state approved career and technical education training or apprenticeship programs. Contact each agency directly for more information.

### Adult Supervision

A minor shall not be employed unless the employer or an employee who is 18 years of age or older provides supervision. This is a requirement of both Michigan's Youth Employment Standards Act and the Health and Safety (MIOSHA) standards.

### When are Work Permits not required?

Work permits are not required for minors engaged in the following types of employment:

- Private homes doing occasional odd jobs
- Sale or delivery of newspapers, if self employed
- Employed by a business owned and operated by the parent or guardian of a minor
- Minors 14 years of age or older employed by a school, academy, or college in which the minor is enrolled
- Services performed as part of a recognized youth oriented organization (e.g. 4-H, Boy Scouts, Girl Scouts)
- Farm work which involves raising of livestock or production of crops
- Minors 13 years of age or older employed as corn detasslers
- An emancipated minor\*
- Minors ages 16-17 who have completed high school graduation requirements\*
- 17 year old minor who has passed the GED test\*
- Employment of a student minor 14 years of age or older under a

contract between employer and school board\* \*employer, before minor begins work, shall obtain and keep on file proof of each condition

### Revocation of Work Permit

A work permit may be revoked by the school if poor school attendance results in a level of school work lower than that

prior to beginning employment. A work permit shall be revoked by the school if the Wage & Hour Division of the

Michigan Department of Energy, Labor & Economic Growth informs the school of an employer's violation of state or

federal laws or rules.

Any minor who has a work permit revoked by the school shall be informed of an appeal process by the school.

### WAGES

- Michigan's Minimum Hourly Wage Rate: \$7.40 per hour effective 7/1/2008.
- Youths 16-19 may be paid a training wage of \$4.25 per hour for their first 90 days of employment.
- Minors 16-17 years of age may be paid 85% of the Michigan minimum hourly wage rate, those rates are as follows; \$6.29 per hour; effective 7/24/2009, these minors must be paid at least the federal minimum wage rate of \$7.25 per hour.
- Minors under 16 years of age may be required to be paid the federal minimum wage.

### Violations

The issuance of a work permit does not authorize employment of minors contrary to state or federal laws and regulations. Anyone who employs a minor without a work permit, or who violates Michigan's Youth Employment Standards Act or a rule promulgated under the Act, or obstructs the department in the enforcement of the Act is guilty of a misdemeanor punishable by imprisonment for not more than 1 year, or a fine of not more than \$500.00, or both.

Anyone who employs a minor in an occupation that involves a cash transaction after sunset or 8:00 p.m., whichever is earlier, at a fixed location unless an employer or other employee 18 years of age is present at the fixed location during those hours, is guilty of a misdemeanor punishable by imprisonment for not more than 1 year, or a fine of \$2,000.00, or both. Second and third subsequent violations may lead to a \$10,000.00 fine and 10 years imprisonment.

### Important Resources

For further information contact:

#### State Wage & Hour Questions

Department of Energy, Labor & Economic Growth  
Wage & Hour Division  
P.O. Box 30476, Lansing, MI 48909  
[www.michigan.gov/wagehour](http://www.michigan.gov/wagehour)  
517.322.1825

#### Work Permit Questions:

Michigan Department of Education  
Office of Career and Technical Education  
P.O. Box 30712 Lansing, MI 48909 517.373.8904  
[www.michigan.gov/octe](http://www.michigan.gov/octe)

#### Federal Wage & Hour Questions

U.S. Department of Labor 211 W. Fort Street, Suite 1317 Detroit, MI 48226 1.866.487.9243  
[www.dol.gov/wage&hour](http://www.dol.gov/wage&hour)

### Printing Work Permit Forms via the Web:

[Go to MDE - Work-Based Learning Guide For Risk Management](#) and go to Section 6, Work Permits in Michigan.

***This fact sheet summarizes the Work Permit rules of the Michigan Youth Employment Standards Act. It is intended as general information only and is not to be considered in the same light as official documents or statements of positions.***