

GOOD NEWS: LEGISLATURE APPROVES REDUCTION IN UNEMPLOYMENT TAX INCREASE

House Bill 7207 has been approved by the Florida Legislature and has been signed into law by the Governor. This new law gives businesses a significant break from the higher unemployment taxes they were originally scheduled to pay for calendar year 2012. There are 2 key features of HB 7207 which lower tax rates:

- Businesses will pay the unemployment tax on the first **\$8,000** of each employee's wages for calendar year 2012, rather than the first \$8,500 of wages (the taxable wage base was originally scheduled to increase from \$7,000 to \$8,500).
- The length of time to replenish the balance in the Unemployment Compensation Trust Fund has been extended, which reduces the tax rates for most employers.

Employers who are at the minimum unemployment tax rate will pay a tax rate of .0151. Applied to the first \$8,000 of each employee's wages, it works out to be \$120.80 per employee, a savings of about \$50 per employee over the originally-scheduled rates for 2012. [For comparison's sake, the minimum tax rate was originally scheduled to be .0202 and would have applied to the first \$8,500 of each employee's wages, which would have resulted in taxes of \$171.70 per employee.]

All other employers will also see their tax rate decrease from the original rate for 2012, except for new businesses paying the set rate of 2.7% and those employers who are capped at the maximum rate of 5.4%. Employers who pay these two rates will actually see their taxes increase from prior years because taxes for 2012 are being collected on a bigger wage amount – taxes apply to the first \$8,000 of wages instead of the old \$7,000 wage base. For example, employers whose tax rate is capped at 5.4% have been paying \$378 per employee; they will pay now pay \$432 in tax for each employee for 2012.

Unemployment taxes for wages paid in the first quarter of 2012 (January, February and March) are due to the state by April 30th. The Florida Department of Revenue is currently mailing all Florida employers a new unemployment tax rate notice (Form UCT-20) that will have their new tax rate for 2012. To avoid any confusion about which rate you should use when figuring your unemployment taxes for the first quarter of 2012, you should use the tax rate notice that has a "mailed on or before" date of April 7th (the old tax rate notice was dated December 2011). This is your new rate for 2012.

If you file your unemployment taxes using a paper tax return, the Department of Revenue is mailing you an updated tax return (also called the Employer's Quarterly Report or UCT-6) with your new tax rate. You should use this updated tax return to file and pay your unemployment taxes for the first quarter of 2012 (due April 30th). You may want to double check that this new UCT-6 has the same updated rate that you received on your new tax rate notice to make sure you are using the correct rate.

If you file and pay your unemployment taxes online through the Department of Revenue's website, your new rate has already been loaded into the system and should automatically appear when you log on. Again, you may want to check it against the rate listed on your new tax rate notice just to be sure. No matter which way you file, either paper or electronically, make sure you apply your new tax rate to the first \$8,000 of each employee's wages. This is a significant change from years past, when taxes were only applied to the first \$7,000 of wages.

The Department of Revenue allows employers to pay their quarterly unemployment tax payments in monthly installments. There is a one-time \$5 charge to pay monthly instead of quarterly. For more information on the installment option, go to the Department of Revenue's website at **www.MyFlorida.com/DOR** and click on "2012 Unemployment Tax Changes." Then, click on "Installment Payment Option." If you have

questions about your unemployment taxes, you can visit the DOR's website or call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

NEW POSTER REQUIREMENT

After many delays, a new poster requirement from the National Labor Relations Board (NLRB) that was originally scheduled to go into effect January 31st is now going to become effective April 30, 2012. The NLRB is an agency of the federal government that oversees employees' rights to form unions in the workplace. Up until now, private businesses did not have to post a notice of their employees' right to unionize unless the business contracted with the federal government.

Starting April 30th, all businesses will have to post an 11-by-17 inch poster at all worksites telling their employees about their rights to form a union. Failure to post the notice will be treated as an "unfair labor practice" and can subject to the employer to a full-blown investigation. Please note: Only agricultural employers are exempt from this new poster requirement.

As a benefit of your FUBA membership, we are providing you with this new poster free of charge. You should post it alongside the All-in-One labor law poster you received from us when you first joined FUBA.

If you have remote worksites that are separate from your main workplace, the NLRB wants you to post this notice at those locations as well. However, if you just send your employees to worksites that are owned and operated by a client or third-party, you are not responsible for posting the notice there.

If you routinely post notices to your employees on personnel rules and policies on the Internet, you are also required to post the Notice of Employee Rights on that site as well. You can either post an exact copy of the poster (downloaded from the NLRB's website) on your site, or you can link to the NLRB's website that contains the poster. The link to the NLRB's website must read "Employee Rights under the National Labor Relations Act."

If at least 20% of your employees do not speak English but all speak the same foreign language, employers must post the notice in that language as well. The poster is available in Spanish as well as many other languages from the NLRB's website at **www.NLRB.gov**. Because the poster is required to be 11-by-17 inches, you will probably need to print it on 2 sheets of regular copy paper and tape them together. The poster does not have to be

printed in color, so black and white copies are fine.

Now that this poster requirement is finally becoming effective, you may start to receive mail that looks like it was sent from the government warning you about new poster requirements. Please do not be fooled by these solicitations. As long as you maintain your FUBA membership, we will make sure you are kept up-to-date on all new mandatory state and federal posting requirements.

If you would like additional copies of this new poster (English version only), please call the FUBA offices at 800-262-4483 and ask for Erin. Also, additional copies, as well as poster version in different languages, are available from the NLRB's website at **www.NLRB.gov**.

REMINDER FOR CORPORATIONS AND LLC'S: TIME TO FILE YOUR 2012 ANNUAL REPORT

If your business is a Corporation or Limited Liability Company, you should have already received several email messages from the Florida Department of State reminding you that your company's Annual Report for 2012 is due by May 1, 2012.

Corporations and Limited Liability Companies are required to file their Annual Reports online at **www.sunbiz.org** by May 1st to maintain "active" status with the State of Florida (the annual report requirement does not apply to sole proprietors or general partnerships). Payment can be made by credit card, check or sunbiz account. **If you do not file your Annual Report by May 1st, you will be charged a \$400 late fee.** This late fee cannot be waived, so please make sure to file this report now.

When you go to **www.sunbiz.org** to file your Annual Report, please make sure there is a banner at the top of the screen that says "Florida Department of State, Division of Corporations." If not, you are not on the official state website and could be the victim of a scam.

Also, please be very skeptical of mail or emails you get requesting a fee of \$125 to file your Annual Minutes, especially from a company called Compliance Services. These notices are official-looking but they are not from the State of Florida. Corporate minutes are not required to be filed with the state or any agency.

If you have any questions about your Annual Report, please call the FUBA offices at 800-262-4483 and ask for Karen, Lance or Erin.