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ATTENTION FLORIDA EMPLOYERS: EVEN THOUGH FEDERAL MINIMUM WAGE HAS INCREASED, YOU STILL MUST PAY FLORIDA'S WAGE

You may have heard that the federal minimum wage increased on July 24th. What does this mean for Florida employers? There is a lot of confusion about what minimum wage Florida businesses must pay their hourly workers, as well as what notices they must provide to their employees. Here are the answers:

- In 2007, the federal government increased the **federal minimum wage** in 3 stages, with the increases taking effect July 24th of 2007, 2008 and 2009. On July 24th of this year, the federal minimum wage increased to \$6.55 an hour.
- However, **Florida has its own minimum wage** that is adjusted every year, and under Florida law, businesses in this state must pay whichever minimum wage is higher. From January to December of 2008, Florida's minimum wage is \$6.79 an hour, which is higher than the new federal minimum of \$6.55.
- **Because Florida's minimum wage of \$6.79 an hour is higher than the new federal minimum wage of \$6.55 an hour, Florida employers must pay their workers a wage of at least \$6.79 an hour.** Basically, employers in Florida can essentially ignore the new federal minimum wage for the rest of this year.

- Please note: the federal minimum wage will go up again on July 24, 2009 to \$7.25 an hour. The Florida minimum wage will go up again on January 1, 2009, but we will not know the new rate until October of this year. The same rules will apply: If the new Florida rate continues to be higher than the federal rate, pay the Florida rate.
- Even though Florida employers currently pay the Florida-specific minimum wage, you still must notify your employees by posting **both** the Florida minimum wage poster as well as the minimum wage poster from the U.S. government.
- Both of these posters were provided to you as a benefit of your FUBA membership. Please make sure your federal poster lists the 3 different minimum wages [\$5.85 in 2007, \$6.55 in 2008 and \$7.25 in 2009]. Also, please make sure your current Florida minimum wage poster lists the 2008 wage as \$6.79. If you do not have these posters, please call the FUBA offices at 800-262-4483 and ask for Erin. Or, you can print one from our website at www.fuba.org. Click on the "Newsletter and Publications" link. Before the Florida minimum wage goes up in January of 2009, we will send you a new Florida poster free of charge.

If you have any questions about the minimum wage and how it affects your business, or any other wage and hour question, please call the FUBA offices and ask for Karen, Lance or Erin.

NO BACK-TO-SCHOOL TAX-FREE DAYS THIS YEAR

For the past 4 years, Florida has held a sales tax holiday for 11 days in August to help back-to-school shoppers. During these tax-free days, the state would collect no sales tax on books, clothes, and other necessary school supplies. Due to a tighter state budget this year, the Florida Legislature did not approve a tax holiday this year, so all back-to-school purchases will be subject to the full sales tax.

IRS LAUNCHES CAMPAIGN TO HELP SMALL BUSINESSES

The Internal Revenue Service has launched a year-long campaign to help educate new self-employed small business owners about federal tax responsibilities and about filing Schedule C, Profit or Loss from Business. The IRS wants to help small business owners avoid common pitfalls when filing their federal business tax returns. The campaign will provide those businesses filing Schedule C for the first time with improved and updated educational materials through a variety of methods, including small business workshops, outreach events and their website at www.IRS.gov.

Schedule C is filed by sole proprietors (one-owner businesses) as an attachment to their Form 1040 individual income tax return. Self-employed individuals with less complex situations, including business expenses of less than \$5,000, no net losses and no employees, may be able to file Schedule C-EZ, Net Profit for Business.

In the first phase of the campaign, the IRS is offering small business owners some basic tips to avoid potential problems:

- Classify workers properly as employees or independent contractors as determined by law, not the choice of the worker or business owner.
- Deposit federal employment taxes, called trust fund taxes, according to the appropriate schedule.

- Start making quarterly estimated payments to cover your own income tax and social security self-employment tax liability.
- Keep good records to protect your personal and financial investment and to make tax filing easier.
- Consider a tax professional to help you with Schedule C.
- Protect financial and tax records to ensure business continuity in the event of a disaster.

To get the latest information about other events and to learn about new products and services from the IRS as they become available, start a FREE subscription to e-News for Small Businesses. Go to www.irs.gov/businesses/small/content/0,,id=154826,00.html. Type in your email address and submit.

TIPS ON REPORTING YOUR UNEMPLOYMENT TAX INFORMATION

The following are tips to remember when filling out your Employer's Quarterly Report (UCT-6) to pay your Florida unemployment compensation tax. Following these guidelines will help prevent your former employees from receiving benefits they are not entitled to.

- Use the correct social security number for each employee. Make each employee show you his or her social security card when hired.
- Report wages when **paid**, not when earned.
- Respond promptly to any written inquiry for information on your former employees.
- Respond to telephone calls from the department seeking your assistance.

For reporting purposes, "wages" include the following:

- Commissions, bonuses and back pay awards
- Severance pay and wages in lieu of notice
- Vacation pay
- Tips and gratuities if the amount exceeds \$20 in a month