



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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UPDATE ON NEW LAW REQUIRING BUSINESSES TO REPORT INDEPENDENT CONTRACTORS

In last month's newsletter, we told you about a new law in Florida that requires businesses to report the independent contractors they hire to the Florida New Hire Reporting Center to help with child support collection.

For decades, Florida law has required employers to report newly hired *employees* within 20 days of hiring to the New Hire Reporting Center. Starting October 1, 2021, this law was expanded to include independent contractors (non-employees) in addition to employees.

Because there was so much confusion about this new requirement and so little information available about it, FUBA's General Counsel met with officials from the Florida Department of Revenue to get clarification for our members.

Here are the 3 key points we learned from that meeting:

1. **Businesses only have to report *individuals* that they hire as independent contractors, *not corporations or LLCs*.** If you hire an *individual person* to provide services to your business and pay them \$600 or more, you are required to report them. But if you hire a *company* to perform those same services, you do NOT have to report them.

Example of when a report is required: A law firm hires an individual named Chris Smith to provide janitorial services to their office. Chris is a sole proprietor and does not work for a company. The law firm makes payment to Chris Smith as an individual. *The law firm **does** need to report Chris Smith to the Florida Department of Revenue once they pay him \$600 in a calendar year.*

Example of when a report is NOT required: Same law firm hires same person Chris Smith to provide same janitorial services. However, Chris has a company called Chris Smith Janitorial Services, Inc. Instead of paying Chris Smith individually, the law firm makes the check out to Chris Smith Janitorial Services, Inc. *The law firm **does NOT** need to report Chris Smith to the Florida Department of Revenue.*

2. **For 2021, you only need to report individuals your business paid/will pay \$600 or more to in the last quarter of the year (October, November, December).** If your business hired an individual in June 2021 and paid him/her \$7,000, you do NOT need to report that person to the state. You only need to report those individuals that will receive \$600 or more from your business in the last three months of 2021.

For 2022, it starts all over again. Once your business has paid \$600 to an individual, you should report that person to the Florida Department of Revenue within 20 days.

3. **There is no fine or penalty assessed against businesses that do not report or report late.** This requirement is basically the honor system where businesses are being asked by the State of Florida to help them in the State's effort to collect child support money.

We hope these clarifications help businesses understand this new law. Thank you to all the FUBA members who called with questions. The state has sent no information about this new law to Florida businesses, so most of our members had only heard about it from our newsletter.

As a reminder, the Department of Revenue's website for reporting newly hired employees and independent contractors is **servicesforemployers.floridarevenue.com**. Their phone number is 888-854-4791, but we have heard that sometimes this number just rings busy. If you have trouble getting through to the state, please let us know. FUBA members can call the FUBA offices at 800-262-4483 and ask for Karen or Mallory.

NEW FLORIDA LAW ADDRESSES EMPLOYER VACCINE REQUIREMENTS

In mid-November, the Florida Legislature approved a new law that allows Florida businesses to require their employees to get vaccinated against COVID-19 but imposes several requirements on businesses that choose to do so.

Under the new law that took effect November 18, 2021, a private employer that requires employees to be vaccinated must allow employees to opt out of getting the vaccine for

one of five reasons:

1. The employee provides documentation from their doctor saying that the vaccine is not in the best medical interest of the employee.
2. The employee provides a statement that they are declining the vaccine due to religious reasons.
3. The employee provides evidence that they have immunity to COVID-19, confirmed by lab results.
4. The employee agrees to be tested weekly for COVID-19.
5. The employee agrees to wear a mask or other protection when they are around other employees or customers.

Employees who are not offered these exemptions, who are improperly denied one of these exemptions, or who are fired due to not complying with a vaccine mandate can file a legal complaint with the Florida Department of Legal Affairs. If the state finds that the employer improperly terminated an employee, they will assess a mandatory fine of \$10,000 per violation for employers with fewer than 100 employees. The fine for employers with 100 or more employees is \$50,000 per violation.

WORKERS' COMP INSURANCE RATES WILL DECREASE IN 2022

The price that insurance companies charge for workers' compensation insurance will decrease again in 2022. Workers' comp insurance policies written or renewed in calendar year 2022 will see an average decrease of -4.9%. Please note: The -4.9% decrease is an *average* change over the hundreds of different industry classifications. The specific rates for the individual class codes on your company's workers' comp policy may decrease even more or less than this amount. In rare circumstances, rates may even go up for some businesses.