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## **NEW FLORIDA MINIMUM WAGE POSTER IS ENCLOSED**

Starting January 1, 2010, the Florida minimum wage rate for calendar year 2010 will be the same as the federal minimum wage of \$7.25 an hour. This federal minimum wage went into effect on July 24, 2009, and is the last of 3 previously-scheduled yearly increases in the federal minimum wage. All Florida employers should have started paying their employees a minimum wage of \$7.25 an hour as of July 24<sup>th</sup>.

If your business has tipped employees, you can use their tips to count towards the required hourly minimum wage. As the minimum wage goes up, though, the hourly rate you pay tipped employees also goes up. Since July 24, 2009, when the minimum wage increased to \$7.25 an hour, tipped employees in Florida were required to be paid a cash wage of at least \$4.23 per hour (this is in addition to the tips they receive from customers).

**There is a new Florida minimum wage poster for 2010.** As a benefit of your FUBA membership, FUBA is pleased to provide you with a **FREE Florida minimum wage poster** for your business. **On January 1<sup>st</sup>, you should replace your current Florida-specific minimum wage poster with this new one for 2010.**

By displaying this new Florida-specific poster next to the all-in-one poster FUBA provided you when you first joined, your business will be in full compliance with the new poster requirement. Please note: you must display **both** the Florida minimum wage poster and the Federal minimum wage poster.

If you have questions about Florida's new minimum wage posting requirement or would like extra copies of the poster, please call the FUBA offices at 800-262-4483 or email us at [fuba@fuba.org](mailto:fuba@fuba.org). The price is \$5 each, plus state sales tax and shipping and handling.

## **UNEMPLOYMENT TAXES ARE GOING UP FOR 2010**

Florida employers are required by law to pay unemployment taxes on their company's payroll into the Florida Unemployment Compensation Trust Fund. This Trust Fund is used to pay benefits to those workers who lose their jobs.

Because of the recession, there are unprecedented demands on the Trust Fund. The Trust Fund is insolvent and is having to borrow money from the federal government to pay benefits to workers. FUBA supported legislation in 2009 to increase business payments into the Trust Fund to help restore solvency and avoid federal interference with our state unemployment system. When combined with record-high unemployment rates, however, the tax increase to businesses will now be greater than initially forecast. It is expected that as of January 1, 2010, the annual minimum unemployment tax rate for Florida employers will increase from \$8 an employee to \$100 per employee.

The state expects to mail tax notices to Florida businesses in the coming weeks. If you have question about how these new rates will affect your business, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

## **IMPORTANT FACTS ABOUT HOW TO HANDLE OVERTIME PAY AND VACATION TIME DURING THE HOLIDAY SEASON**

Here is what you need to know about your rights and responsibilities for paying your employees during weeks with holidays.

- First, there is no federal or Florida law that requires an employer to provide paid vacation time to employees.
- Employers are only obligated to pay their employees for hours they are actually at work. You do not have to pay employees if your business is closed for a holiday (i.e., Christmas day).
- Employers are not required to pay extra to those workers who have to work on a holiday. There is no law requiring "holiday pay" of time and half for those employees working on a holiday.
- Unless they meet one of the federal exemptions from overtime pay, employees who work more than 40 hours in one workweek must be paid one and one-half times their regular rate of pay for each hour worked over 40. There is no limit to the number of hours an employee older than 16 may work in any workweek.
- Overtime is only calculated on the hours an employee actually works. If an employee is paid but is not actually working (for example, a paid holiday, paid sick leave, etc.), that time is not considered "work time" and is not counted towards the 40 hours for overtime purposes.
- If your business is closed on a holiday and you pay your employees as if they had worked that day, those employees can work up to 40 hours on the remaining days of the week and not receive overtime. The 8 hours of the holiday do not count as work, since the employees were given the day off and were not at work.
- Overtime must be paid in the same pay period it is earned.

Please call FUBA at 800-262-4483 and ask for Karen or Lance if you have a wage and hour question.

## **IRS TAX CALENDAR FOR JANUARY AND FEBRUARY**

**January 1<sup>st</sup>:** Stop advance credit of the Earned Income Credit for any employee not submitting a new W-5 Form.

**January 12<sup>th</sup>:** Tipped employees are required to report to you tips of \$20 or more earned during December 2009.

**January 15<sup>th</sup>:** Deposit Payroll Tax for December 2009 (if the monthly deposit rule applies).

### **February 2<sup>nd</sup>:**

- Furnish Forms 1098, 1099, and W-2G to recipients you made payments to during 2009.
- Give Form W-2's to all employees who worked for you during 2009.
- Deposit FUTA tax (federal unemployment tax) owed through December if the amount is \$500 or less.
- File 2009 Form 940, 941, 943, or 944 [payroll taxes] if you did not deposit all taxes when due.

### **February 10<sup>th</sup>:**

- File Forms 940, 942, 943, and/or 945 [payroll taxes] if you timely deposited all required payments.
- Tipped employees are required to report to you tips of \$20 or more earned during January.

**February 16<sup>th</sup>:** Begin withholding on employees that claimed extra withholding from their payroll tax in 2009 but did not file a W-4 to continue in 2010.