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NEW FLORIDA MINIMUM WAGE POSTER IS ENCLOSED

The Florida minimum wage rate for calendar year 2011 will stay the same as it is now -- \$7.25 an hour. This is the second year that the Florida minimum wage is the same as the Federal minimum wage. Even though the Florida minimum wage is not changing for 2011, all Florida employers are required to post a 2011 Florida minimum wage poster. You should already have the federal minimum wage poster – it is part of the all-in-one poster you received when you joined FUBA. As long as your federal minimum wage poster says \$7.25 an hour, this federal poster is current.

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 1st, you should replace your current Florida-specific minimum wage poster with this new one for 2011.**

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. The price is \$5 each, plus state sales tax and shipping and handling.

IMPORTANT FACTS ABOUT 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 18 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.

UNEMPLOYMENT TAX UPDATE

Florida employers are required by law to pay unemployment taxes on their company’s payroll into the Florida Unemployment Compensation Trust Fund. Most employers must report and pay the tax each quarter. Employers may not require employees to pay any part of this tax. The Trust Fund is used to pay benefits to those workers who lose their jobs.

Because of the recession, there have been 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. For these reasons, employers’ tax rates for calendar year 2010 were set to increase dramatically. The tax rate for employers at the minimum tax rate was going to increase from \$8.40 an employee to over \$100 an employee. Thanks to a bill passed by the Florida Legislature last March, however, the tax increase was limited. Also, the bill allowed businesses to make their unemployment tax payments over the full calendar year.

However, because unemployment is still high and with many businesses going out of business, employers are again set to see an increase in their unemployment taxes for 2011. The state expects employers paying the minimum tax rate to increase from \$25.20 per employee to \$72.10 per employee. This is an increase of \$44.90 a year per employee. In addition to this increase of at least \$44.90, Florida employers will also face a special assessment of approximately \$13 per employee to make payments on the interest owed to the federal government for money loaned to the Florida Trust Fund.

The state will be mailing tax notices to employers, as well as information explaining the interest assessment, in mid December. The first quarterly unemployment tax payment will be due April 30th. The special interest assessment will be due June 30th.

FUBA is working with the Florida Legislature to stop this tax increase. We will keep you updated on our progress in coming months. In the meantime, if you have questions about how these new rates will affect your business, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

IRS DELAYS REPORTING OF GROUP HEALTH PLAN COST ON W-2

In March of this year Congress passed the Affordable Care Act, which requires employers to report the cost of health insurance coverage provided to their employees on Form W-2. The Internal Revenue Service (IRS) has issued a one-year delay of this requirement to give employers additional time to comply with this new reporting requirement. It will not become effective until 2012. Employers may still voluntarily comply with the new requirement by reporting this information on the W-2 for 2011.