



# FUBA i s s u e s

Florida United Businesses Association

## OUR BUSINESS IS SMALL BUSINESS

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

Starting January 1, 2012, the Florida minimum wage will increase to \$7.67 an hour. For tipped employees, the minimum wage is increasing to \$4.65 an hour, in addition to tips. [Through December 31st, the minimum cash wage for tipped employees is \$4.29 an hour; we listed it incorrectly as \$4.23 an hour in last month's newsletter. We apologize for any confusion this may have caused.]

Because the state minimum wage is changing for 2012, there is a new Florida minimum wage poster. **As a benefit of your FUBA membership, we have enclosed 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 2012.

Florida employers are also required to display the federal minimum wage poster. You should already have this 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. [Please note: even though Florida businesses are required to display 2 minimum wage posters (the one for Florida and the federal one), they must pay their employees whichever minimum wage is higher, which is Florida's.]

By displaying this new Florida-specific poster next to the All-in-One poster FUBA provided you, your business will be in full compliance with the new poster requirement.

If you have questions about Florida's minimum wage or would like extra copies of the poster, please call the FUBA offices at 800-262-4483 and ask for Erin. Or, you can email us at [fuba@fuba.org](mailto:fuba@fuba.org).

### **WORKERS' COMPENSATION GUIDE FOR CONTRACTORS**

#### **What are the workers' comp requirements for a business in the construction industry?**

If you are in the construction industry, Florida law requires you to have an active workers' comp policy or a valid exemption from workers' comp. If you have an exemption on yourself but you have any employees, you must have a workers' comp policy to cover your employees.

**What if I hire a subcontractor?** If you are involved in the construction industry, Florida law makes you responsible for making sure all of your subs either have their own workers' comp policy or have a valid exemption from workers' comp. If you discover that your sub is out of compliance with workers' comp requirements (i.e., their exemption has expired or their policy has been cancelled by their insurance company), you should insist that they correct the problem before you allow them back on the jobsite. If you allow someone to work on the jobsite without the proper coverage or a valid exemption, your insurance company will charge you premium for them and your insurance may be cancelled. You also expose yourself to potential fines from the state Compliance office.

#### **Can I hire an exempt sub who has employees?**

Not unless you want to pay the workers' comp premium for your sub's employees. Florida law requires all construction businesses with employees to have a valid workers' comp policy. If your sub doesn't have the proper coverage for his employees, you are the one who will be held responsible by your insurance carrier and by the State of Florida if any of the sub's employees gets hurt on the job.

**How do I make sure the sub I hire has a valid workers' comp policy or a valid exemption from workers' comp?** If your sub

has a workers' comp policy, you should first ask him for a Certificate of Insurance (COI) that will show the name of the insurance company issuing the policy, along with the policy number and the policy period. If your sub has an exemption, you should ask for a copy of his exemption certificate and make sure it's current and has the proper business name on it. It should also list when the exemption is set to expire (exemptions expire every 2 years).

However, you should not rely only on Certificates of Insurance or exemption cards from your subs. Insurance policies can be cancelled mid-year if the premiums aren't paid, and exemptions expire every 2 years. If this happens to one of your subs, you will be at risk.

The best way to protect yourself is to independently verify the information you get from your subs by using two free databases maintained by the State of Florida. The first database is the Proof of Coverage database; it lists all businesses in Florida who have a workers' comp insurance policy, as well as all individuals who have an exemption. You can search by employer name, Federal Employer Identification Number (FEIN), policy number or exemption holder social security number. You will be able to see the policy information for your subcontractor, including when the policy expires, how much payroll is being reported for the policy, and the governing class code being reported for the policy. For your subs who have exemptions, you will be able to see proof of their exemption and when it is set to expire.

The second database is the Florida Construction Policy Tracking Database. By entering the information for all your subcontractors, you can track your subs' policies and/or exemptions. The database will send you an email if a policy is cancelled or if an exemption expires, so that you can stop using that sub until they get the proper coverage. To access the database, go to **MyFloridaCFO.com/WC** and click on "Databases." Then click on "Construction Policy Tracking Database." You will be prompted to sign up (free of charge), then you will be asked to enter some very basic information on your subcontractors.

If you have any questions about these databases or your responsibilities regarding workers' comp insurance, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

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

As we enter the holiday season, here are some basic guidelines for paying your employees during weeks with holidays.

- 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" or 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, as long as they receive the proper overtime pay.
- 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.

For more information, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.