



# FUBA issues

## OUR BUSINESS IS SMALL BUSINESS

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

Starting January 1, 2014, the Florida minimum wage will increase to \$7.93 an hour. The minimum cash wage you must pay your tipped employees is increasing to \$4.91 an hour, in addition to the tips they receive.

Because the state minimum wage is changing for 2014, there will be a new Florida minimum wage poster required starting January 1, 2014. **As a benefit of your FUBA membership, we have enclosed a FREE 2014 Florida minimum wage poster for your business.** On January 1st, you should replace your 2013 Florida-specific minimum wage poster with this new one for 2014.

In addition to displaying the Florida-specific minimum wage poster, Florida employers are also required to display the Federal minimum wage poster. You should already have this Federal minimum wage poster as a part of the All-in-One poster you received when you joined FUBA. If your Federal minimum wage poster says the Federal minimum wage is \$7.25 an hour, this Federal poster is current. [Please note: even though Florida employers are required to display 2 different minimum wage posters (the one for Florida and the Federal one), employers must pay their employees whichever minimum wage is higher, which is the Florida minimum wage.] 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 email us at [fuba@fuba.org](mailto:fuba@fuba.org). Please include your name, your business name, and your mailing address in your email.

### **UNEMPLOYMENT TAXES GOING DOWN FOR 2014**

**Florida Reemployment Tax (formerly called Unemployment Tax):** For the last several years, Florida businesses have seen large increases in their state reemployment tax due to the effects of the recession and the large amount of benefits paid to unemployed workers from the state Unemployment Compensation Trust Fund. But because the balance in the Trust Fund has now been replenished and is currently stabilized, reemployment tax rates will be lower for most employers for 2014.

Effective January 1st, the minimum Florida reemployment tax rate will be \$47.20 per employee per year. This is a reduction of almost \$35 per employee from last year. Employers who are at the maximum rate will continue to pay \$432 per employee per year (this amount is capped by Florida law).

The wage base for each employee continues to be capped at \$8,000 per year. The wage base is the amount of each employee's wages that is subject to reemployment tax – employers pay reemployment tax only on the first \$8,000 of an employee's wages. Any amount over \$8,000 that an employee earns is not subject to state reemployment tax.

Employers should receive their 2014 reemployment tax rate notice from the Florida Department of Revenue sometime in December. This tax rate will be effective for wages paid on or after January 1, 2014, and the first reemployment tax return for 2014 will be due by April 30, 2014 and will be for wages paid in January, February and March.

**Federal Unemployment Tax:** Federal Unemployment Tax (FUTA tax) is a little different from the state reemployment tax. First, it is still

called "unemployment tax." The name has not changed on the federal level. Also, federal unemployment tax is figured and paid quarterly to the Internal Revenue Service, but the FUTA tax return (IRS Form 940) is filed only once a year. For calendar year 2013, the FUTA tax return is due January 31, 2014.

The federal unemployment tax rate is 6.0%, and it applies to the first \$7,000 you pay to each employee as wages during the year. [This is different than the state tax – in Florida, you pay tax on the first \$8,000 you pay to each employee.] However, Florida employers get a credit of 5.4% on their federal tax for the state reemployment tax they pay, making the effective FUTA tax rate 0.6%.

For the last couple of years, Florida employers have not been able to take the full 5.4% credit because Florida's Unemployment Compensation Trust Fund had outstanding loans from the federal government. However, those loans have been fully repaid through assessments on all Florida employers the last two years, so Florida employers will again be able to take the full 5.4% credit against their 2013 Annual Federal Unemployment tax due January 2014.

For deposit purposes, you should figure your FUTA tax quarterly by multiplying the amount of taxable wages paid during the quarter by 0.6%. Stop depositing FUTA tax on an employee's wages when he or she reaches \$7,000 in taxable wages for the calendar year.

If your FUTA tax liability for any calendar quarter is \$500 or less, you do not have to deposit the tax that quarter. Instead, you may carry it forward and add it to the tax for the next quarter to see if you have to make a deposit. Once you hit \$500 in tax owed, you must make a deposit.

If your FUTA tax for the fourth quarter of the calendar year, plus any amounts you are carrying forward from prior quarters, is over \$500, you must pay the entire amount by the due date of the FUTA tax return (Form 940), which is January 31st. Also, if the amount due is over \$500, you are required to pay it via electronic funds transfer. If it is \$500 or less, you can make a deposit, pay the tax with a credit or debit card, or pay the tax with your 2012 Form 940 by January 31st.

If you do not receive a Form 940, you can get one by calling the Internal Revenue Service at **800-TAX-FORM (800-829-3676)**.

## **HOW TO HANDLE EMPLOYEES' 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 wages to those workers who work on a holiday. There is no state or Federal law requiring "holiday pay" or time and half for employees who work 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 overtime pay at the rate of 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 calculated only on the hours an employee actually works. If an employee is paid but does not actually work (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 without receiving overtime. The 8 hours of the holiday do not count as work, since the employees were given the day off and were not actually 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.