



ISSUES

OUR BUSINESS IS SMALL BUSINESS

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2016 FLORIDA MINIMUM WAGE POSTER IS ENCLOSED

For calendar year 2016, the Florida minimum wage will remain the same as 2015.

Florida employers can continue paying their minimum-wage employees \$8.05 an hour, and tipped employees must continue to be paid a cash wage of at least \$5.03 an hour.

Even though the minimum wage for Florida is staying the same for 2016, your Florida minimum wage poster needs to be updated to reflect the calendar year of 2016. **As a benefit of your FUBA membership, we are providing you with a new Florida minimum wage poster free of charge along with this edition of the newsletter.**

On January 1st, you can simply replace the 8½" by 11" 2015 version of the Florida-specific minimum wage poster with this new 2016 version. [Employers still need to also post the federal version of the minimum wage poster, which is included in the All-in-One poster you received from FUBA when you joined. As long as your federal minimum wage poster says \$7.25, your poster is current.]

If you have any questions about the minimum wage and how it affects your business, please call the FUBA offices at 800-262-4483 and ask for Erin, Karen or Lance. To order additional complimentary copies of the 2016 Florida minimum wage poster, please email us at **FUBA@FUBA.org** and

include your name, business name, phone number and mailing address in your email.

FLORIDA WORKERS' COMP RATES WILL DECREASE AGAIN IN 2016

The rates Florida businesses pay for workers' compensation insurance coverage will decrease in 2016 an average of 4.7%. This is the second consecutive rate decrease, and it applies to new and renewal workers' compensation policies starting January 1st.

The 4.7% decrease is an average over the hundreds of different industry classifications. Individual classes may decrease more or less than this amount. The average rate change for the 5 major industry groups are as follows:

- Manufacturing -7.5%
- Contracting -1.8%
- Office & Clerical -7.8%
- Goods & Services -4.4%
- Miscellaneous -4.6%

Your company's workers' compensation premium is determined by multiplying the total payroll for your business by the specific rate for the classification(s) for your business. Please note that the specific rate for your particular business may be decreasing more or less than the average of 4.7%. If you have any questions about the new rates and how they apply to your workers' comp policy, you should call your local insurance agent.

FEDERAL UNEMPLOYMENT TAX DUE JANUARY 31ST

Florida employers are required to pay both Florida and Federal unemployment tax each year. The Florida unemployment tax is paid quarterly to the State of Florida. Federal unemployment tax (FUTA) is also paid quarterly, although it is paid to the Internal Revenue Service. Unlike the Florida tax, the federal FUTA tax return (IRS Form 940) is filed only once a year. For calendar year 2015, the FUTA tax return is due to the IRS by February 2, 2016. If you have deposited all FUTA tax as it became due in 2015, you have until February 10th to file Form 940.

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. [It works the same way as Florida unemployment tax – employers pay unemployment tax on the first \$7,000 of each employee's wages.] However, Florida employers get a credit of 5.4% on their federal tax for the state tax they pay, making the effective FUTA tax rate 0.6%.

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 2015, 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). Also, if the amount due is over \$500, you are required to pay it via electronic funds transfer ("EFT").

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) or from their website at **irs.gov**.

JANUARY 31ST IS DEADLINE FOR OTHER FEDERAL TAXES

In addition to being the deadline for employers to pay their federal unemployment taxes, January 31, 2016, is also the deadline for employers to do the following:

- Furnish copies of Form W-2, Wage and Tax Statement, to each employee who worked for you during calendar year 2015. This form lists payments you made to your employees during the year, as well as withheld income, social security and Medicare taxes. You must also send copies of these W-2's to the Social Security Administration.
- Provide Form 1099-Misc, Miscellaneous Income, to unincorporated businesses that your business paid \$600 or more. These forms are for people not treated as your employees, such as fees to subcontractors, accountants, or other independent contractors that are not a corporation. [You must also send copies of these forms to the IRS by February 28th (March 31st if filing electronically).] Please note: You do not have to issue a 1099 on payments for the purchase of goods and other property.
- File Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, with the IRS. Please see above article for more details.
- File Form 941 for the fourth quarter of 2015 and deposit any undeposited income, social security and Medicare taxes you have withheld from your employees' wages. You can pay these taxes with Form 941 if your total tax liability for the quarter is less than \$2,500.