

### JANUARY 2014

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#### **WORKERS' COMP RATES TO INCREASE SLIGHTLY FOR 2014**

Effective January 1, 2014, the rates Florida businesses pay for workers' compensation insurance will increase an average of +0.7% for new and renewal policies effective January 1, 2014. While this is the fourth straight year that workers' comp rates have gone up, rates overall are still -56% lower than they were a decade ago.

The +0.7% increase is an **average** over all the different rate classifications. Individual class codes may increase more than +0.7%, and some class codes will see a decrease. For example, while the manufacturing class codes will decrease an average of -3.5%, class codes in the construction industry will actually **increase** an average of +3.2%.

The average rate change for 2014 by industry category is as follows:

- Manufacturing: -3.5% decrease
- Contracting: +3.2% increase
- Office and Clerical: 0.0%/no change
- Goods and Services: +0.8% increase
- Miscellaneous: +0.6% increase

The workers' comp premium for your business is determined by multiplying your total payroll by the specific rate for the classification(s) for your business.

Please note that the specific rate for your particular business may be less than or greater than 0.7%; this figure is just an average rate change for all job classes in the state of Florida. The rate increase for your individual business may be higher or lower.

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 or your workers' compensation carrier. If you are insured with FUBA Workers' Comp, you can call our offices at **888-262-4483** and ask for the Policy Services Department.

#### **JANUARY 31ST IS IMPORTANT FEDERAL TAX DEADLINE**

January 31, 2014, is 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 2013. 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. That requirement was repealed and never took effect.

- File Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return, with the IRS. This form is used to report your **federal** unemployment taxes. Also, this is the deadline to deposit any FUTA tax owed through December 2013. (This is in addition to the state unemployment taxes that you pay to the State of Florida.) If you deposited all your FUTA tax when it was due, the deadline for filing your Form 940 is extended to February 10, 2014.

## **IRS STANDARD MILEAGE RATE DECREASING FOR 2014**

The Internal Revenue Service (IRS) recently announced the standard mileage rates for the use of a car or other vehicle for business purposes. For calendar year 2014, the rate will increase to \$.56 which is a decrease of a half cent from the rate for 2013.

The standard mileage rate set by the IRS is used by many businesses to reimburse employees for mileage travelled in their personal vehicles for business reasons. Businesses always have the option not to use this standard rate and instead calculate the actual costs of using a vehicle for business purposes and reimbursing their employees for that cost.

## **SAFE-WORKPLACE ASSISTANCE AVAILABLE FOR SMALL BUSINESSES**

The USF SafetyFlorida Consultation Program has announced the release of a web-based tool geared towards preventing workplace injuries and illnesses. The SafetyWriter 2.0 has been re-designed to assist Florida's small business employers in creating tailored, industry-specific illness and injury protection plans.

The web-based tool enables employers to easily assemble a workplace safety plan in 6 steps:

- Choose a safety plan language
- Select industry type (i.e. – General, Construction, Maritime industry)
- Choose applicable plan
- Select work area
- Add-on to plan by selecting safety guidelines from a checklist
- Preview and/or save safety plan

The plan is downloadable as a Word document so that employers can add details specific to their company and save it to their desktop or upload the tailored plan back into the system where it may be accessed at any time, from any location. In addition to the plan, employers will receive free self-inspection checklists, the ability to create multiple plans, and the ability to adapt a plan to a specific industry.

Businesses with a qualifying workplace safety program are eligible for a 2% credit on their annual workers' compensation premiums.

USF SafetyFlorida Consultation Program, funded by OSHA and the state of Florida provides free and confidential services to small businesses. For more information, please visit [www.usfsafetyflorida.com](http://www.usfsafetyflorida.com) or call **866-273-1105**.