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KNOW THE RULES ON OVERTIME PAY

In Florida, overtime pay is regulated by a federal law called the Fair Labor Standards Act (FLSA). Under the FLSA, employers are required to pay overtime to any employee who works more than 40 hours in one workweek, unless the employee is exempt. Overtime must be paid at the rate of one and one-half times an employee's regular rate of pay for each hour worked over 40.

Overtime applies on a workweek basis, not on a pay period basis. An employee's workweek is a fixed period consisting of seven consecutive 24-hour periods, and an employer is entitled to establish when his company's workweek starts and ends. While most workweeks start on Monday and end on Sunday, the workweek does not need to coincide with the calendar week, and it can begin on any day and at any hour of the day.

Different workweeks can be established for different employees or groups of employees. But each workweek stands alone; you cannot average 2 or more workweeks together (i.e., if an employee works 20 hours one workweek and 60 hours the next, you cannot avoid paying overtime for the second week by averaging the two workweeks together to say that the employee only worked 40 hours on average per week).

While there is no limit to the number of hours employees older than 16 can work in any one workweek, employees must be paid overtime pay for all hours worked over 40 in one workweek.

And, in most circumstances, overtime pay that is earned in a particular workweek must be paid on the regular payday for the pay period in which the overtime pay was earned.

Please keep in mind that the law does not require "double pay" or extra pay to employees who work at night, on the weekend, or on holidays. Extra pay in these circumstances is totally up to the discretion of the employer, as long as employees are paid overtime if they work over 40 hours in one workweek.

Some employees are exempt from receiving overtime pay. Some executive, administrative, professional and outside sales employees do not have to be paid overtime, as long as they meet certain tests about their job duties and are paid on a salary basis at least \$455 per week (this equals \$23,660 in salary per year).

Please note: There is a common misconception that as long as an employee is being paid on a salary basis, that employee is exempt from overtime. Not true. **Being paid on salary is not enough to exempt an employee from receiving overtime;** their specific job duties also have to meet certain requirements. And job titles alone do not determine exempt status.

For more information about the specific exemptions from overtime pay, we have a Fact Sheet from the United States Department of Labor on our website that explains the requirements that must be met for employees to be exempt from overtime pay. Please visit **FUBA.org** and look for Fact Sheet 17A under the *Small Business Alert* tab on the left-hand side of our home page. You can also find more information on overtime pay and the exemptions from overtime on the United States Department of Labor's website at dol.gov/whd/overtime_pay.htm.

BACK-TO-SCHOOL SALES TAX HOLIDAY IS AUGUST 7TH – AUGUST 16TH

If your business sells clothes, footwear, certain accessories, school supplies, or personal computers in Florida, the upcoming Back-to-School Sales Tax Holiday will affect your business. For 10 days in August, these items will not be subject to state sales tax (if they meet certain price restrictions).

Here are some details about this year's tax-free shopping days:

- The tax-free days will run from 12:01 a.m. on Friday, August 7th through midnight on Sunday, August 16th.

- Items that will be tax-free are:
 - Clothing, footwear, and accessories like wallets and purses that are \$100 or less
 - School supplies that are \$15 or less per item
 - The first \$750 of the sales price of personal computers and certain computer-related accessories, if purchased for non-commercial home or personal use
- The tax-free days are 10 days this year, rather than just 3 days like in the past.
- Books are not included in this year's tax-free days.

Retailers are not required to keep additional or special records for the tax-free days. Sales of eligible items that are sold tax-free from August 7 through August 16 should be reported as exempt sales on your sales tax return for that period. The Florida Department of Revenue has mailed a detailed Tax Information Publication to all active registered sales tax dealers explaining:

- A detailed list of items that are tax-free and which ones are taxable
- What to do when a product contains both exempt and taxable items
- How to deal with gift certificates
- How to handle exchanges of tax exempt purchases after the tax-free days are over
- How to do refunds during/ after the tax-free days
- How to handle coupons, rebates, discounts, rain checks and layaways

If you would like a copy of the Department's Taxpayer Information Publication on the Back-to-School Sales Tax Holiday or a list of all items that will be tax-exempt during the holiday, please visit the FUBA website at **FUBA.org** and look under the *Small Business Alert* section on the left-hand side.

If you are a retail business and have questions about the Back-to-School Sales Tax Holiday, you can call the Department of Revenue's toll-free Taxpayer Services line at 800-352-3671 or visit their website at **myflorida.com/dor**.

REGISTERED CONTRACTORS: STATE LICENSES HAVE TO BE RENEWED BY AUGUST 31ST

Registered contractors are those contractors who hold a local contractor's license issued by a city or county (not the state of Florida) that must be registered with the state. If you have a locally-issued license in any of the following categories, you must register your local license with the state:

- General contracting
- Building
- Residential contracting
- Sheet metal
- Roofing
- Air-conditioning
- Mechanical
- Swimming pool/spa
- Plumbing
- Underground utility and excavation
- Solar
- Pollutant storage
- Glass and glazing

After receiving their state registration, locally-licensed contractors may perform construction work only in the cities or counties where they hold a license and in any adjoining locale that will accept their registration. They are not allowed to work statewide.

The state registration of a local license is good for 2 years and expires at the end of August in odd-numbered years. If you are a state-registered contractor, you have until August 31st to complete your continuing education requirements and pay the \$209 license renewal fee.

Please note: If you hold a locally-issued license in a field **not** listed above, such as cabinets, countertops, flooring, paint, wallpaper or window treatments, **you do not have to register your license with the state** and this article does not apply to you.

If you are a state-certified contractor, which means you have passed the Florida contractor's exam and hold a statewide contractor's license in one of the fields in the bulleted list, your license expires at the end of August in even-numbered years. This article does not apply to state-certified contractors.

You can renew the registration of your local contractor's license through the Department of Business & Professional Regulation's website. Go to **myfloridalicense.com** and click on *Renew Your License*.