



ISSUES

OUR BUSINESS IS SMALL BUSINESS

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POSTER UPDATE

Your business may have recently received some official-looking mail from a company called Personnel Concepts, advising you of some changes to some of the Florida and Federal posters that businesses are required to post in their workplace.

The notice may say "Florida Businesses: 11 Federal and Florida Regulations Affecting Your Employees" on the front and include an Update Notice about recent revisions to five federal posters, referring to recent changes to the Employee Polygraph Protection Notice, the Family and Medical Leave Act Notice, and the OSHA Notice. The form also refers to the new Florida minimum wage poster. This notice is actually an order form for you to buy posters from Personnel Concepts, which publishes employment posters across the country.

Please remember that as a benefit of your membership in FUBA, we provide you with all required state and federal posters when you join, and we will always alert you when there is a mandatory poster change or new posters are required. Often, we will provide you with updated panels at no charge.

There have indeed been some very minor changes to the OSHA poster and the Employee Polygraph Protection Act poster. However, these changes are not mandatory and old versions of the poster are still valid and acceptable. As long as your OSHA poster is dated from 2006 or later and your Polygraph poster is dated from 2003 or later, your posters are current. The notice also mentions an updated IRS Notice of Withholding/ Earned

Income Credit. The Earned Income Credit is a refundable tax credit for certain workers, and you can satisfy this notice by giving your employees a W-2 that includes the Earned Income Credit on the back of Copy B. W-2's are due to all employees by January 31st of each year. Also, all FUBA members should have received an updated 2014 Florida minimum wage poster from us with the December newsletter.

Please note that other posters may be required, depending on your size or type of business. For example,

if you employ teenagers under 18, you are required to post a Child Labor law poster. If you have 50 or more employees, a Family and Medical Leave Act (FMLA) poster is required. FUBA can provide these posters to you free of charge. Our All-in-One poster contains only those posters generally required of most businesses.

All new FUBA members receive one free All-in-One poster that contains the latest versions of all required posters. [We also provide you with a Florida-specific minimum wage poster each year that is separate from the All-in-One.] If you would like a new All-in-One poster, we can provide another one to you at no charge. Please email us at FUBA@fuba.org and provide us with your FUBA member number, business name contact person's name and mailing address.

ARE YOU INSURED THROUGH FUBA WORKERS' COMP?

If your workers' comp insurance policy is through us, we are required by Florida law to do a payroll audit after your policy expires. We know audits are very detailed and sometimes confusing for policyholders, so we have put together some information to help answer any questions you may have.

- We are required by Florida law to perform payroll audits.
- A payroll audit requires that we review your company's total payroll during the policy period. During the audit, we also verify that your company's officers, employees and subcontractors are assigned to the correct class code for the work being performed.
- Your workers' comp policy is issued based on your estimated payroll for the coming year. During the policy period, your actual payroll may increase or decrease, depending on whether you hire additional work-

ers or lay off workers. The audit of your workers' comp policy allows us to evaluate the actual payroll for the policy period and compute the proper premium for your policy.

- The auditor will need to see detailed records from your company to verify your payroll. These records include: payroll records, journals, general ledgers, check stubs, profit/loss statements, overtime records, and a list of all subcontractors used during the policy period, as well as certificates of insurance or exemptions for all subs.
- If your company is in the construction industry and you paid a subcontractor who does not have a valid workers' compensation insurance policy or a valid exemption from workers' compensation coverage, you are responsible under Florida law for paying the workers' comp premium for that subcontractor (and all his/her employees), and the premium for the uninsured/nonexempt subcontractor will be included as payroll on your policy.
- Even if your company had no payroll during the policy period, you still need to comply with the audit and provide relevant financial documentation.

Special note to policyholders in the construction industry who hire a subcontractor with an exemption:

It is our experience that, in the construction industry, work done by subcontractors often requires more than one worker to perform the job. For this reason, we closely scrutinize our policyholders in the construction industry who make large payments to exempt individuals.

While we honor exemptions held by subcontractors, we also require documentation proving that the exempt sub worked alone in cases where you have paid the exempt subcontractor a large amount of money for a particular job. **If you cannot show that the exempt sub worked alone, we are entitled to charge a reasonable premium to cover our liability for this exposure.**

If you pay an exempt sub who is supposed to have no employees or other workers **\$75,000** or more in a given policy period, we will need additional documentation to prove the sub did work alone. To avoid paying extra premium, you will need to provide:

- A Profit and Loss Statement for the policy period from the exempt subcontractor; and
- A General Ledger for the policy period from the subcontractor, if necessary; and
- A detailed breakdown of actual labor and materials cost, if materials were included in your payments to the subcontractor.

The easiest way to avoid problems when you have made payments to exempt subs is to communicate with us and your premium auditor as much as possible. We will always work with you to the best of our abilities.

If you are one of our policyholders and have any questions about your premium audit, please call our Audit Department at **888-262-4483**.

A WARNING FOR NEW CORPORATIONS AND LLC'S

Some FUBA members who have recently filed a new corporation or LLC online with the State of Florida's Division of Corporations have received a form from a company called Florida Corporate Filing Services, located in Tallahassee. The form is titled "2014 Certificate of Status Request Form" and asks for \$47.99 (or more) to send you a Florida Certificate of Status for your company. The notice is stamped with "Official Document" and says "Congratulations on registering your new business with the State of Florida. Your registration process with the Division of Corporations is complete. Your Certificate of Status will be completed and processed by Florida State Corporations."

While this form may look like it is from the government, it most definitely is not. It is from a private company offering to sell you a copy of your company's Certificate of Status for a lot more money than what these Certificates actually cost.

A Certificate of Status is an official document from the Florida Department of State that indicates the status of a given company. It shows that a company is in "good status" with the State of Florida, and it is most often used by businesses trying to establish bank accounts or apply for licenses. Not all businesses need a Certificate of Status, but if you do, you can request one from the Division of Corporations for \$8.75 (corporations) or \$5.00 (LLC's). Simply go to the Division of Corporations' official website at **www.sunbiz.org**. Click on the "Certification" tab on the left side under "Popular Links." From there, you can request a Certificate of Status to be sent to you via email or regular mail. You can pay the small fee by either credit or debit card.