



FUBA

Florida United Businesses Association

issues

OUR BUSINESS IS SMALL BUSINESS

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CORPORATIONS AND LLC'S: DID YOU FILE YOUR ANNUAL REPORT?

If your business is a corporation or LLC formed prior to calendar year 2010, Florida law requires you to file an Annual Report with the Florida Department of State. This report was due by May 1st. The penalty for filing your report after May 1st is \$400, plus the actual costs of filing the Annual Report [\$150 for corporations and \$138.75 for LLC's].

If you didn't file your Annual Report before May 1st, you should do so now. If you don't file before September, your company will be dissolved by the state. This is particularly important to companies whose owners/officers have exemptions from workers' comp insurance because the state will revoke your workers' comp exemption if your corporation or LLC is dissolved.

DON'T BE FOOLED BY SCAM CALLED "ANNUAL MINUTES REQUIREMENT STATEMENT"

A company called Compliance Services is targeting Florida corporations with mailed notices that are titled "Annual Minutes Requirement Statement Directors and Shareholders." This document instructs you to submit the Annual Minutes Requirement Statement together with payment of \$125.00 so this company can prepare your corporate minutes for you. Please be advised, this is a scam – corporations are required to keep minutes of their corporate meetings, but **minutes do not have to be filed with any agency of the State of Florida.** Also, you don't have to pay someone to prepare your

corporate minutes. Please do not confuse this notice with an official notice sent by the state Division of Corporations relating to your 2010 Annual Report. The best thing to do with this mail is to throw it in the trash. If you have any questions about this notice, please call the FUBA offices at 1-800-262-4483 and ask for Karen, Lance or Erin.

WORKERS' COMP SEMINARS

The state Division of Workers' Compensation is offering another series of workers' compensation classes during the next few months. Seminars are free and open to all business owners, licensed contractors and employers. Licensed contractors can even receive continuing education credits for their attendance. The summer schedule is:

- Ft. Myers: July 13
- Jacksonville: August 18
- Lakeland: August 6
- Largo: June 17
- Miami: July 15
- Orlando: August 12
- Pensacola: June 8 and August 10
- Pompano Beach: July 29
- Tallahassee: August 20
- Tampa: July 29
- West Palm Beach: June 18 and August 13

For a registration form, or for more information about these seminars, please go to the Small Business Alert section of FUBA.org and click on "Free Workers' Comp Seminars." Or, you can call our offices at 800-262-4483 and ask for Erin.

ARE YOU INSURED WITH FUBA WORKERS' COMP? IF SO, YOUR PREMIUM AUDIT IS COMING UP

If your workers' comp insurance policy is with us, we are required by Florida law to audit your policy. Most premium audits will be conducted in May and June of this year. 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.

- Audits are a review of the total payroll during a policy period. Audits also make sure that officers, employees and subcontractors are properly classified.
- Florida law requires us to perform audits on all policyholders. The policy is written based on an estimated premium provided when the policy was bound. During the policy period, the payroll may have increased or decreased. The audit allows us to evaluate the actual payroll and premium earned during the policy period.
- The auditor will need to see detailed records to verify your payroll. These records include: payroll records, journals, general ledgers, check stubs, profit/loss statements, overtime records, subcontracting exposure, as well as certificates of insurance or exemptions for all owners, officers and subs used during the policy period.
- If you are in the construction industry, and you paid a subcontractor who does not have a valid insurance policy or an exemption, you are responsible for paying the workers' comp premium for him, and that amount will be included as payroll on your policy.
- Even if your company has no payroll during the policy period, you still need to comply with the audit and provide any relevant financial documentation.

Special note to policyholders in the construction industry who hire a sub who has an exemption: It has been our experience that in the construction industry, work done by subcontractors often requires more than one worker to complete the job. If you hire an exempt, one-man sub to do a job and that sub has help from

non-exempt workers, your policy will be charged additional premium for those workers, because we as the workers' comp provider will be liable for any workplace injuries for these workers. For this reason, we will closely scrutinize our policyholders in the construction industry who make large payments to exempt individuals.

While we will honor exemptions held by subcontractors, we will also require documentation proving that the exempt sub worked alone. **In cases where the policyholder cannot show the exempt sub worked alone and yet he/she was paid a large amount of money, we are entitled to charge a reasonable premium to cover our liability for this exposure.** If a payment to an exempt sub with no employees exceeds \$50,000 in a given policy period, it will trigger the need for this additional documentation, which includes:

- 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
- If materials were included in payments to a subcontractor, a detailed breakdown of actual labor and material cost.

The easiest way to avoid problems when you pay 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 have any questions, please our Audit Department at 888-262-4483.

LEGISLATIVE UPDATE NEXT MONTH

The 2010 Regular Session of Florida's Legislature ended at the end of April. In the June edition of ISSUES, we will provide you with detailed information about new legislation affecting your business.

SIGN UP FOR E-ALERTS FROM FUBA

In order to communicate with our members on a more timely basis, we have started sending emails called "FUBA e-Alerts" to those members we have email addresses for. If you'd like to receive these emails from us, all you have to do is email us at fuba@fuba.org and give us your email address.