



# FUBA i s s u e s

Florida United Businesses Association

## OUR BUSINESS IS SMALL BUSINESS

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#### **ONE LAST REMINDER: ANNUAL REPORT FOR CORPORATIONS AND LLC'S DUE BY MAY 1ST**

If your business is a Corporation or Limited Liability Company, you need to file your company's Annual Report with the State of Florida's Division of Corporations by May 1st. Please note: this is a requirement from the State of Florida. FUBA is providing its members with this reminder as a courtesy. The State of Florida no longer sends letters to corporations and LLC's reminding them each year to file their Annual Report, so this may be the only reminder you get.

**All corporations and LLC's must file their Annual Report with the state by May 1st to maintain an "active" status with the state and to avoid a \$400 late fee.** The Annual Report requirement does not apply to sole proprietors or general partnerships. Also, if you formed your corporation or LLC in calendar year 2013, you do not have to file an Annual Report until 2014.

To file your company's Annual Report, go to the official state website at [www.sunbiz.org](http://www.sunbiz.org). The filing fee for corporations is \$150; the filing fee for LLC's is \$138.75.

If you have already filed your Annual Report for this year but need to make additional changes to the information on file with the state about your company, you can file an amended Annual Report. For corporations, the fee to file an amended report is \$61.25. For LLC's, it is \$50.

An Annual Report is needed to keep your business entity active on the state's records. If your business has closed, you do not need to file one. To dissolve a Florida corporation or

LLC, you can go to the state's website at [www.sunbiz.org](http://www.sunbiz.org) and either print the dissolution forms and mail them in or file them online.

**Again, if you do not file your Annual Report by May 1st, you will be charged a \$400 late fee.** The state will not waive this late fee, so please make sure to file this report now if you have not already done so. If you have already filed your Annual Report for 2013 with the state, you can disregard this article.

If you have any questions, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

#### **WARNING TO BUSINESSES WHO PAY THEIR MONTHLY WORKERS' COMP BILLS LATE**

Many FUBA members who are insured through FUBA Workers' Comp pay their monthly workers' compensation premium bills after the due date, which results in their policy being cancelled for several days until we receive the payment and reinstate the policy.

The State of Florida, through its Division of Workers' Compensation, has access to policy information from all workers' compensation insurance companies, and they know when a policy has gone into cancellation status due to a late payment. The state is using this policy cancellation information to fine businesses for breaking the law by not having workers' compensation coverage. The minimum fine is \$1000.

Several FUBA members have already been caught in this situation and have been fined by the state. One member, whose payment was

3 days late, was fined \$1000 by the Division of Workers' Compensation – this penalty was actually greater than the company's annual workers' comp premium bill.

Please don't get caught in this situation – if you make your payments timely, your policy will remain in good status, and you won't be vulnerable to the state's compliance officers. However, if you pay late and your policy goes into a cancellation status for even 1 day, you just might get a visit from a state compliance officer who tells you that your workers' comp policy is now in cancellation and that you owe the state a minimum fine of \$1000.

### **ATTENTION LLC'S: IMPORTANT WORKERS' COMP CHANGES COMING JULY 1ST**

If your business is a Limited Liability Company (LLC) that is not involved in the construction industry, you will be affected by an upcoming change in the Florida workers' compensation law. Effective July 1st, the law in Florida will change, and owners of non-construction LLC's will be considered to be employees for workers' comp purposes. This means all non-construction LLC owners (also called "members" or "managing members") have to be covered by a workers' compensation policy or have a valid exemption issued by the Division of Workers' Compensation.

**If your non-construction LLC already has a workers' compensation policy:** Starting July 1st, the payroll for all owners/managing members will be included on your workers' comp policy, unless they have already received an exemption. This can result in an increase in your yearly insurance premium.

LLC owners who wish to be covered by their workers' compensation policy do not need to apply for an exemption but should let their insurance carrier know they want to be covered.

LLC owners who want to opt out of workers' compensation coverage for themselves need to apply for and receive an exemption from the state before July 1st. Please note: Under Florida law, anyone with a valid exemption from workers' compensation is not eligible

to receive workers' comp benefits if he/she is injured in an on-the-job accident.

**If your non-construction LLC does not already have a workers' compensation policy:** Florida law requires non-construction employers with 4 or more full-time employees to provide coverage for all employees. Starting July 1st, LLC owners will be considered "employees" and will be included in the employee count. An LLC with 3 employees and 2 owners will have 5 total employees on July 1st and will therefore be required to purchase workers' comp coverage, if the LLC does not already have a workers' comp policy. If an LLC owner receives an exemption from workers' comp coverage, he or she will not count towards the employee total. So, in the example above, if the 2 owners apply for and receive exemptions prior to July 1st, the company will remain under the 4-employee threshold and therefore would not have to buy a workers' comp policy.

If you are an owner/member/managing member of a non-construction LLC, and you wish to exempt yourself from workers' compensation requirements, you will need to apply for and receive your exemption from the state Division of Workers' Compensation prior to July 1st. **The Division started accepting exemption applications from non-construction LLC owners April 1st**, to allow enough time to process all applications prior to the July 1st deadline.

All exemptions must be applied for on-line at **[www.myfloridacfo.com/wc](http://www.myfloridacfo.com/wc)**. Click on the tab marked "Employer" and then click on the box on the right-hand side of the screen that says "Apply for, Modify or Print an Exemption Certificate. You will need your Florida Drivers' License Number or a Florida Identification Number as well as your Social Security Number, and the FEIN of your LLC. There is no cost to apply for the exemption, but it will need to be renewed every 2 years (renewal is also free).

If you have any questions about how this law change will affect your business, or about how to apply for an exemption, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.