



FUBA
FLORIDA UNITED BUSINESSES ASSOCIATION

ISSUES

OUR BUSINESS IS SMALL BUSINESS

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STATE MINIMUM WAGE INCREASING AGAIN FOR 2020

Starting January 1, 2020, the Florida minimum wage will increase 10¢ an hour, from \$8.46 an hour to \$8.56 an hour. The cash wage for tipped employees is also increasing 10¢, from \$5.44 an hour to \$5.54 an hour.

With this change to the Florida minimum wage, all Florida employers will be required to display a new minimum wage poster for 2020. **One of the benefits of your FUBA membership is that we provide you with all updated posters free of charge.** Please look for the 2020 Florida minimum wage poster with your December newsletter.

If you have any questions about the minimum wage and how it affects your business, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

WORKERS' COMP INSURANCE POLICY PRICES WILL DECREASE IN 2020

The prices that insurance companies charge for workers' compensation insurance will decrease again for 2020.

Starting January 1, 2020, all workers' comp policies written or renewed in calendar year 2020 will see an average decrease of

-7.5%. Please note: The -7.5% decrease is an average change over the hundreds of different industry classifications. The specific rates for the individual class codes on your company's workers' comp policy may decrease more or less than this amount. The rates may even go up for some businesses.

Your company's workers' comp premium is determined by multiplying the total payroll for your business by the rate for the classification(s) assigned to your business. The new rates will be applied to your workers' compensation policy as it comes up for renewal in 2020.

HOW TO HANDLE OVERTIME PAY FOR A WORK WEEK WITH A PAID HOLIDAY

As we approach the holiday season, we wanted to remind employers about the rules for paying employees during weeks with paid holidays.

Question: During a work week that contains a holiday (like Thanksgiving or Christmas Day), if I pay my employees for 8 hours on the holiday as a part of their salary, but they do not come to work because the business is closed, do those 8 hours count towards their total hours worked and then entitle them to overtime pay if they work over 40 hours the rest of the holiday week?

Answer: The short answer is "no." Overtime is only calculated on the hours an employee

actually works. If an employee is paid but is not actually working (for example, a paid holiday, paid sick leave, etc.), that time is not counted as time at work, and those hours are not counted towards the 40-hour cap. A paid day off when your business is closed due to a holiday (8 hours in the above example) does not count as work, because the employees were given the day off and were not at work. Therefore, in a holiday week, if the employees are paid for the holiday and do not actually work that day, they are allowed to work up to 40 hours on the remaining days in that work week before being eligible to receive overtime pay.

Keep in mind that employers are not required to pay employees on work days that the business is closed, like for a holiday. Employers are only obligated to pay employees for hours they actually work, unless your company's policy manual provides for paid holidays. This article only addresses employers who voluntarily pay employees when the business is closed.

If you have a wage and hour question, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

DO YOU WORK IN THE CONSTRUCTION INDUSTRY? IF SO, YOU NEED TO UNDERSTAND YOUR OBLIGATIONS UNDER WORKERS' COMPENSATION LAW

As a service to our members in the construction industry, FUBA publishes ***A Contractor's Guide to Workers' Compensation***, which summarizes a contractor's responsibilities under the Florida workers' compensation law.

In the Guide, we answer questions like:

- Why does my insurance company charge me more premium if I hire a sub that doesn't have workers' comp coverage?
- What are the dangers of hiring a sub that

has an exemption instead of a workers' comp policy?

- How can I check that the subs I use have valid workers' comp coverage?

This document is available free of charge in both English and Spanish from our website at **FUBA.org** under the "Resources and Documents" tab under the section on workers' compensation.

WORKERS' COMP EXEMPTIONS EXPIRE EVERY 2 YEARS

Florida law allows business owners to opt out of workers' comp insurance by applying for an exemption from the Florida Division of Workers' Compensation. A business owner who has a valid exemption issued by the state is not entitled to workers' comp benefits if injured on the job and does not have to be covered by the company's workers' comp insurance policy.

To be eligible for an exemption, the business owner must own at least 10% of a corporation or limited liability company (LLC) that is registered and in good standing with the Florida Division of Corporations.

For businesses in the construction industry, the application fee is \$50 for an exemption. For businesses not in the construction industry, there is no charge.

Exemptions must be renewed every 2 years to stay active. If your exemption expires and is not renewed, or if there is a lapse between its expiration and renewal, your workers' compensation insurance company can charge you extra premium. Or, if you don't have a workers' comp policy and are working under an exemption, you can be fined by the state if your exemption lapses.

Exemptions can be renewed online at the Division of Workers' Compensation's website at **myfloridacfo.com/division/wc**.