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FLORIDA'S MINIMUM WAGE IS GOING UP AGAIN

Florida's new minimum wage for 2008 has been announced by the state Agency for Workforce Innovation. **The new minimum wage, effective January 1st, will be \$6.79 an hour.** This is an increase of 12 cents an hour over the current rate for 2007 of \$6.67. The 2008 minimum wage for Florida will be 94 cents more than the current federal minimum wage of \$5.85. **Florida employers must pay whichever minimum wage is higher, and the Florida rate continues to be the higher rate.** The Florida minimum wage will prevail over the federal rate until such time as the federal minimum wage becomes higher than the state rate, which is expected to happen in mid-2009.

Employers of tipped employees may count tips actually received as wages; however, these tipped employees must be paid a direct wage. The amount of this hourly wage is calculated by taking the minimum wage (\$6.79) minus the 2003 tip credit (\$3.02), which equals a direct hourly wage to the employee of \$3.77 as of January 1, 2008. The current direct wage for tipped employees is \$3.65 an hour.

Since Florida voters approved a state minimum wage in 2004, Florida's minimum wage has increased significantly. It started at \$6.15 an hour in 2005, rose to \$6.40 in 2006, and was increased to its current level of \$6.67 an hour for 2007.

Florida employers are required to display a Florida-specific minimum wage poster at their workplace. Because the minimum wage is changing, this means you need a new minimum wage poster. This poster requirement is in addition to the federal requirement to post a notice of the federal minimum wage/child labor laws; as a Florida employer, you must post **both** notices.

Every time a new poster is required for Florida businesses, private poster companies start sending out mail designed to scare you into buying expensive "compliance packages." Do not let them take advantage of you. As part of our member services, FUBA keeps you informed about new posters, and we try to provide all new posters to you at little or no charge so you do not have to pay outrageous prices for employment posters.

As a benefit of your FUBA membership, we will send you a new minimum wage poster free of charge with your December newsletter. Or, you can download a poster from the State of Florida at www.floridajobs.org/resources/fl_min_wage.html. On January 1st, simply take down your current Florida minimum wage poster that references 2007 and put this new one up instead. You will then be in full compliance with the law.

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

ATTENTION CONTRACTORS: ARE YOU ABOUT TO LOSE YOUR WORKERS' COMP EXEMPTION?

The state Division of Workers' Compensation is the agency that issues and tracks workers' comp exemptions in Florida. For businesses in the construction industry, you cannot get an exemption unless you are an officer of a corporation or an owner of a Limited Liability Company (LLC).

Once you have gotten your exemption, one of the requirements to keep your exemption active is that your company (whether it is a corporation or LLC) must remain in good standing with the State of Florida by filing an Annual Report with the Division of Corporations. These reports are due by May 1st of each year. In September, the state dissolved thousands of corporations and LLC's that had not filed their Annual Report. This means officers of these dissolved companies are no longer eligible for their workers' comp exemption, and this month, the Division of Workers' Compensation is revoking over 36,000 exemptions.

If your workers' comp exemption is revoked, you are breaking the law if you continue to work, and you could face some harsh fines. Do not let your exemption lapse for any reason. If you are a FUBA member and need assistance renewing your exemption, please call the FUBA offices and ask for Karen or Lance.

HOW CONTRACTORS CAN PROTECT AGAINST UNINSURED SUBS

As a contractor, Florida law makes you responsible for paying workers' comp on all of your subs unless they have their own workers' comp policy or have a valid exemption. If you do not carry workers' compensation for your own business, not only can you be forced to pay

out of pocket for these subs, but you will face heavy penalties from the state. The state Division of Workers' Compensation (DWC) has come out with a new regulation that spells out what an uninsured general contractor needs to get from its subs in order to satisfy its obligation under Florida law to get evidence of either 1) a workers' compensation policy or 2) an exemption from its subs. Since Certificates of Insurance (COI) are so easily forged, the DWC is trying to require extra documentation that corroborates the COI.

In summary, the state is requiring an uninsured contractor who hires subs to obtain the following:

1. If the sub is insured, the contractor must get a COI and "written documentation" from either the agent or carrier confirming the coverage. "Written documentation" may include a screen print from the Proof of Coverage database.
2. If the sub is exempt, the contractor has to get a copy of the exemption or a screen print from the Proof of Coverage database confirming the exemption.

The Proof of Coverage database is located at www.fldfs.com/WCAPPS/Compliance_POE/wPages/query.asp. You can simply enter in the information to find the sub, and then select "File" and "Print" to print the screen showing proof of coverage or the exemption. Or, you can ask your local insurance agent or insurance company for the information.

If you, the contractor, do not get this documentation and your sub is uninsured, you will be liable for all the sub's employees. You will also be assessed a penalty and could have your company shut down by the state until you comply with Florida's workers' comp law.

Even if you have workers' comp insurance, we recommend you follow these steps to protect yourself against uninsured subs. Call the FUBA offices if you have any questions.