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## MINIMUM WAGE WILL INCREASE TWICE IN 2009

The new minimum wage for the state of Florida for 2009 has been announced by the state Agency for Workforce Innovation. **The new minimum wage, effective 1/1/09, will be \$7.21 an hour.** This is an increase of 42 cents an hour over the current rate for 2008 of \$6.79.

For the first half of 2009, the state minimum wage for Florida will be 66 cents more than the current federal minimum wage of \$6.55. However, on July 24, 2009, the federal minimum wage increases to \$7.25 an hour, which will make it 4 cents more than the Florida rate.

**Florida employers must pay whichever minimum wage (state or federal) is higher. This means that from 1/1/09 through 7/23/09, employers must pay the Florida minimum wage of rate of \$7.21 an hour. Then, on July 24, 2009, employers must increase the minimum wage from \$7.21 to \$7.25.**

For tipped employees, employers can deduct a "tip credit" of \$3.02 per hour from their employees' minimum wage, provided the tipped employee retains all tips and regularly receives more than \$30 in tips a month. With the new Florida minimum wage rate for 2009 of \$7.21 per hour, tipped employees must be paid a direct hourly wage of least \$4.19 an hour [\$7.21 minimum wage minus the \$3.02 tip credit]. This tip credit of \$3.02 will not be changing, so Florida employers of tipped employees should continue to subtract \$3.02 from the prevailing minimum wage to determine the minimum wage for their tipped

employees. As the minimum wage goes up, the hourly rate you pay tipped employees will also go up. When the federal minimum wage of \$7.25 an hour kicks in on July 24<sup>th</sup>, tipped employees must be paid a direct cash wage of at least \$4.23 an hour [\$7.25 minimum wage minus the \$3.02 tip credit.]

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.

As a benefit of your FUBA membership, we will send you a new Florida minimum wage poster free of charge with your December newsletter. Or, you can download one from the State of Florida at [www.floridajobs.org/workforce/posters.html](http://www.floridajobs.org/workforce/posters.html).

On January 1<sup>st</sup>, simply take down your current Florida minimum wage poster that references 2008 and put this new one up instead. You will then be in full compliance with the law. Because the current federal poster already contains the new federal minimum wage rate, you do not need a new federal minimum wage poster.

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." Be very wary of these companies, and please do not spend any money until you fully understand what you need and what you are buying. **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.**

Please look for the new Florida minimum wage poster in next month's 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 Erin, Karen or Lance.

## **FLORIDA WORKERS' COMP RATES DECREASING FOR 6<sup>TH</sup> STRAIGHT YEAR**

The Office of Insurance Regulation has announced that the rates Florida businesses pay for workers' compensation insurance will be reduced an average of 18.6% for new and renewal policies effective January 1<sup>st</sup>. This rate decrease is the sixth consecutive rate decrease for workers' compensation rates in the state of Florida, and the largest one-year decrease on record. The cumulative rate decrease for the last five years is over 60%. This latest rate reduction is estimated to produce a savings of over \$610 million for Florida employers.

The average rate impact broken down by industry group is as follows:

- Manufacturing: -19.8% (down -58.0% since 2003)
- Contracting: -19.2% (down -61.2% since 2003)
- Office and Clerical: -20.6% (down 60.9% since 2003)
- Goods and Services: -18.9% (down 60.7% since 2003)
- Miscellaneous: -13.6% (down -59.4% since 2003)

As a reminder, your workers' comp premium is determined by multiplying your payroll by the specific rate for your job classification. The rate for your particular business may decrease more or less than 18.6%; this figure is an average rate reduction for all job classes in the state of Florida.

The rate reduction for your individual business may be higher or lower.

Please note: there is a distinct possibility workers' comp rates could increase in the first part of 2009. The Florida Supreme Court recently overturned part of the workers' compensation law dealing with attorney fees. This provision has been key in reducing rates since 2003, and now that it has been thrown out, rates may go up again. We will know more about the impact this decision will have on rates by the first of the year.

If you have any questions about the new rates and how they apply to your workers' comp policy, you can call your local insurance agent or your workers' compensation carrier. If you are insured with us, please call 888-262-4483.

## **NEW ONLINE FEATURES AVAILABLE FOR FUBA MEMBERS**

We are excited to announce that FUBA members can now pay their annual membership renewal online at [www.FUBA.org/MemberServices.cfm](http://www.FUBA.org/MemberServices.cfm). Simply click on the Membership Renewal link, enter your FUBA and Invoice numbers (located in the top right corner of the FUBA Dues Invoice) and a valid VISA or MasterCard credit card number.

Members can also purchase additional copies of our Labor Law Poster and Small Business Advisor, which we provide free to our members when they initially join FUBA. To purchase, just click on the appropriate order form. Please note that only VISA or MasterCard are accepted.

If you have any questions about these new online features, or any other Membership related question, please call the FUBA offices at 800-262-4483 and ask for Erin.