

### **MINIMUM WAGE UPDATE**

Starting January 1, 2012, the Florida minimum wage for calendar year 2012 will go up to \$7.67 an hour. This is an increase of 36¢ over the current Florida minimum wage of \$7.31 an hour.

If you have employees who receive tips, you can count their tips towards the required hourly minimum wage. As the state minimum wage goes up, though, the hourly rate you have to pay your tipped employees also goes up. Starting January 1st, the hourly cash wage you must pay your tipped employees will go up to \$4.65 an hour. This is an increase of 42¢ an hour over the current cash wage of \$4.23 an hour.

Because the minimum wage for Florida is going up for 2012, this means there will be a new Florida minimum wage poster for 2012. We will send you a new Florida minimum wage poster free of charge with your December newsletter. On January 1st, you should replace your current Florida-specific minimum wage poster with the new one for 2012.

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.

### **WORKERS' COMP RATES GOING UP FOR 2012**

The rates Florida businesses pay for workers' compensation insurance will increase an

average of 8.9% for new and renewal policies effective January 1, 2012. Even with this rate increase, workers' comp rates are still down almost 60% over the last 7 years, and Florida continues to have the lowest rates of any state in the Southeast.

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

- Manufacturing: +9.6% (down 54.0% since 2003)
- Contracting: +8.7% (down 61.5% since 2003)
- Office and Clerical: +7.0% (down 59.9% since 2003)
- Goods and Services: +9.9% (down 57.2% since 2003)
- Miscellaneous: +8.5% (down 56.5% since 2003)

The workers' comp premium for your business is determined by multiplying your total payroll by the specific rate for the classification(s) for your business. The rate for your particular business may increase more or less than 8.9%; this figure is an average rate increase for all job classes in the state of Florida. The rate increase for your individual business may be higher or lower.

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 FUBA Workers' Comp, please call us at 888-262-4483.

## **UNEMPLOYMENT TAX UPDATE**

Florida employers are required by law to pay unemployment taxes on their company's payroll. There are 2 components to this tax: there is a federal unemployment tax imposed by and paid directly to the Federal Government (often called "FUTA" for Federal Unemployment Tax), and there is a Florida tax (often called "SUTA" for State Unemployment Tax), which is paid to the state and used to fund unemployment benefits paid from the Florida Unemployment Compensation Trust Fund.

### **Federal Unemployment Tax:**

Beginning July 1, 2011 the federal unemployment tax rate has been reduced from 6.2% to 6.0% and is paid on a wage base for each employee of \$7000. Employers in good standing receive a 5.4% credit against this tax. Because Florida still has loans from the federal government that we haven't paid back, employers will start to lose this credit in .3% increments. Therefore, tax owed on wages paid from January through June will be taxed at the effective rate of 1.1% (\$77) if the worker was paid \$7,000 during the first 6 months of the year. If tax is still owed on wages paid during the second half of the year, the effective rate of 0.9% (\$63 on \$7,000) would apply.

### **State of Florida Unemployment Tax:**

The state calculates unemployment taxes differently than the federal government. New businesses pay a fixed tax rate of 2.7% for the first several years of their existence. Otherwise, businesses pay a rate that is determined in large part by their own experience. The maximum tax rate is capped by state law at 5.4%.

Because there continues to be unprecedented demand on the Trust Fund, employers' state unemployment tax rates for calendar year 2012 are again set to increase dramatically. The tax rate for employers at the minimum tax rate was \$72.10 per employee; it is predicted to be over \$170 per employee for calendar year 2012.

In addition to this increase of around \$100 per employee, Florida employers will again pay a special assessment of approximately \$13 per employee to make payments on the interest

owed to the federal government for money loaned to the Florida Trust Fund.

The state will be mailing tax notices to employers in mid December. The notifications of the interest payments will be sent in February 2012. The first quarterly unemployment tax payment will be due April 30th. The special interest assessment will be due June 30th.

We will again be asking the Florida Legislature to stop this unemployment tax increase on businesses during the upcoming legislative session that starts in January, and we will keep you updated on the situation. In the meantime, if you have questions about how these new rates will affect your business, please call the FUBA offices at 800-262-4483 and ask for Karen or Lance.

## **POSTER UPDATE**

The National Labor Relations Board (NLRB) has postponed its new requirement that all private businesses to post a notice of their employee's right to unionize.

Originally, this new poster requirement was scheduled to become effective on November 14, 2011; however, the NLRB has pushed this date back to January 31, 2012.

A lawsuit trying to get the new poster requirement thrown out is still proceeding. If they are not successful and this poster does end up being required by January 31st, we will provide you with one at no charge in January.

## **SURVEY FOR FLORIDA BUSINESSES**

In an effort to improve Florida's business climate, the Florida Legislature wants to hear from business owners about burdensome rules and regulations on their businesses. To accomplish this, they have set up an on-line survey called "Your Voice" that will collect feedback from Florida's businesses. You can access the survey at: [www.surveymonkey.com/s/FloridaRegReformSurvey](http://www.surveymonkey.com/s/FloridaRegReformSurvey). Information given in the survey is not confidential and is subject to Florida's public records law.