

SEPTEMBER 2002

Volume XII, No. 9

## **ATTENTION CONTRACTORS: WORKERS' COMPENSATION UPDATE**

As you know, effective July 1, 2002, contractors working on commercial construction projects valued at \$250,000 or more are no longer able to exempt themselves. This is true whether you are a sole proprietor, partner, or corporate officer. Everyone working on these large commercial jobs must have workers' compensation insurance coverage.

This new law has raised a lot of questions, and there has been a lot of misinformation circulating about who the new law applies to. Here are some common questions and their answers, from the Florida Department of Insurance.

- **What if I started a commercial job before July 1, 2002?** The law makes no distinction regarding projects already underway when the law took effect. Therefore, if you are working on a commercial job valued at \$250,000 or greater, you must still obtain workers' compensation coverage, even if that job started before July 1<sup>st</sup>.
- **I am a sole proprietor/partner/corporate officer and only go to the work site to talk to the supervisors. Do I still need coverage?** If it is a commercial job, and it is valued at \$250,000 or greater, the answer is "yes." Sole proprietors, partners and corporate officers who do not visit the work site do not need workers' compensation coverage.
- **What if I work on both commercial and residential sites and I already have an exemption?** If you already qualify for an exemption, that exemption remains in effect for all work sites, EXCEPT those on commercial jobs valued at \$250,000 or more.

- **A sign company has been contracted to place various signs at the worksite of a commercial job valued at over \$250,000. Does this contractor need workers' comp?** No, because this business is not engaged in the construction industry. The new law only applies to those classes of businesses that are actively engaged in the construction industry. You can find out if your business is in one of these categories by calling the Division of Workers' Compensation at 850-488-2333.
- **How is the value of the commercial building project going to be determined?** Using either the value reported when the building permit is pulled, or the Southern Building Code Congress International Building Valuation Data.
- **Does the new law apply to renovations to existing commercial buildings or residences?** If the cost of the renovations to an existing commercial building exceeds \$250,000, the law applies and all contractors working on the project will need workers' comp. If the renovations cost less than \$250,000, contractors can still use their exemptions. If the renovations are taking place on a residence, contractors can still use their exemptions, no matter how much the renovations cost.

If you have other questions about this new law, please call the FUBA offices at 1-800-262-4483 and ask for Karen, Lance, or Stacey.

## **UPDATE ON ELECTRONICALLY FILING UNEMPLOYMENT TAX**

Beginning in January 2003, businesses with 10 or more employees must electronically file their unemployment compensation tax quarterly reports ("UCT-6) and pay their unemployment tax

electronically. **This means that your UCT-6 for the first quarter of 2003, which is due in April, will have to be filed electronically.**

The good news is that this new electronic reporting system is totally Internet-based; you do not need any special software. All you need is a computer with Microsoft Internet Explorer 5.0 or better. If you currently use America Online (“AOL”), you will have to “minimize” AOL and open Internet Explorer 5.0 to successfully file unemployment tax returns. If you do not have Internet Explorer 5.0, it is available as a free download on the Department of Revenue’s website.

We at FUBA recently received a demonstration of the new system for reporting unemployment compensation data, and it is very user-friendly. In fact, we recommend that you go ahead and start using this system now so you can become acquainted with filing on-line before everyone rushes to learn the system before the January 2003 deadline. The system will walk you through each of the steps for filing your data on-line. Here’s the procedure:

- Log onto the Department of Revenue website at [www.myflorida.com/dor](http://www.myflorida.com/dor).
- The first time you use the system, you must choose a password and user ID number. The system will prompt you for this information the next time you log in.
- After entering your password and user ID number, you enter your employees’ quarterly payroll. The system remembers your list of employees each time you log in, so you do not have to re-enter these names each time.
- The system allows you to add or delete employees, if necessary.
- After you enter the quarterly payroll for each employee, the system automatically figures your unemployment tax due, based on your business’ tax rate.
- Once your tax is computed, the easiest option to pay the tax you owe is to use an on-line check. A check will appear on your computer screen, and you fill in the bank routing number and your account number, along with the amount of the check. The amount will be taken from your account like using any other paper check.
- 
- Once the check is “sent” via the computer, you are given an electronic receipt with a confirmation number, proving your data and matching money

were sent in. You should print this screen and save it in your files.

Each step of the way during this process, you have the ability to call the Department of Revenue’s toll-free number and speak to a live person who can walk you through the process and answer any questions you may have. If you use software like Quickbooks, Excel, or Access to list your employees and their payroll, the Department of Revenue can send you a free piece of software that will allow you to link up your list with the unemployment compensation reporting site, so that you do not have to re-enter your employees’ payroll each time. For more information about this software, you can email Jim Evers, Program Director for the Department of Revenue at [eversj@dor.state.fl.us](mailto:eversj@dor.state.fl.us).

If you simply do not have a computer at your place of business and will not be able to use the Internet to file your unemployment tax information, the law allows you to apply for a waiver. You can only get a waiver from having to file your tax information on-line; you will still have to make your payments electronically if you have 10 or more employees. You can pay the tax electronically through electronic funds transfer, by credit card, or by ACH transfer.

You are eligible for a waiver if:

- Your business does not have a compatible computer that meets or exceeds the minimum standards required to file on-line; or
- You need more time to program your computer to begin filing on-line; or
- Complying with the requirement to file on-line would cause you financial hardship; or
- Complying with the requirement to file on-line conflicts with your business procedure.

For help with filing a waiver, please contact the FUBA offices. For general information about the new filing requirements, please call the Florida Department of Revenue at 1-800-352-3671 (within Florida) or 850-488-6800 (outside Florida). Or, visit the Department of Revenue’s website at [www.myflorida.com/dor/](http://www.myflorida.com/dor/). Click on the e-services icon or “e-filing.”