



The Soto Law Group, P.A.

LABOR & EMPLOYMENT PRACTICE GROUP



January 2015

NEW YEAR, NEW RULES: WHAT YOUR COMPANY NEEDS TO KNOW FOR 2015

PART I

FLORIDA MINIMUM WAGE INCREASE EFFECTIVE JANUARY 1, 2015

ATTENTION ALL EMPLOYERS: Effective January 1, 2015, Florida's minimum wage is now \$8.05 per hour, up from \$7.93 (with a minimum wage of at least \$5.03 per hour for tipped employees, in addition to tips). An employer that is found liable for intentionally violating Florida's minimum wage requirements is subject to a fine of \$1,000.00 per violation, payable to the state.

If you are notified by an employee that they have not been receiving the lawful minimum wage, act quickly! An employer only has 15 calendar days to resolve any claims for unpaid wages before an employee may bring a civil action in a court of law to recover back wages, damages, and attorney's fees. Additionally, the Attorney General or other official designated by the Legislature may bring a civil action to enforce the minimum wage.

The Florida Department of Economic Opportunity adjusts the state minimum wage annually on September 30th, adjusting the minimum wage by the rate of inflation for the 12 months prior to September 1.

Sources: Florida Minimum Wage Act, Fla. Stat. §448.110
<http://www.frla.org/frla-news/item/1477-2015-florida-minimum-wage-announced>

OBAMACARE EMPLOYER MANDATE NOW IN EFFECT

Companies with 100 or more full-time workers must now offer affordable health care to at least 70% of its staff (and their dependents to age 26) pursuant to the Affordable Care Act (popularly known as "Obamacare"). A full-time employee is one who works at least 30 hours a week, or whose hours equal at least 130 a month, for more than 120 days in a year. This Employer Mandate went into effect January 1, 2015 and carries a hefty fine for those qualifying employers who fail to comply. The Employer Mandate for employers with 50 to 99 employees goes into effect in 2016 but for the year 2015, these employers will need to certify that they are not reducing the size of their workforce to stay below 100. Companies with less than 50 people on staff are not subject to the Employer Mandate.

Employers will be fined if they do not offer "affordable coverage" and even just *one* of their employees receives subsidized insurance on an individual exchange. For 2015, the fine is \$174 a month multiplied by the number of full-time employees (minus 80 workers). This penalty increases if the company offers insurance but said insurance is not considered "affordable" or "comprehensive." In such instance, the employer will be required to pay \$261 a month for each employee that receives subsidized coverage on an individual exchange.

What is “affordable” and “comprehensive” coverage? Employers’ insurance offerings must pass two tests:

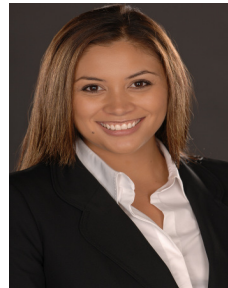
1) To be “affordable,” the plan’s premiums cannot cost an employee more than 9.56% of their income. This applies only to employee-only coverage since the health reform law does not consider the affordability of family coverage.

2) To be “comprehensive,” the policy must pay for at least 60% of the staff’s medical expenses and cover an array of essential health benefits, such as prescriptions and maternity care.

To avoid tax penalties, affected employers should become familiar with IRS reporting requirements and document compliance from day one. If you are a large company (100+ employees) and you have not tailored your benefits to comply with the Employer Mandate, act immediately to bring your coverage into compliance. Starting in 2016, all affected employers will have to offer coverage to 95% of employees.

Sources: <http://money.cnn.com/2015/01/02/news/economy/obamacare-employers-health-insurance/>
<http://www.cigna.com/assets/docs/about-cigna/informed-on-reform/employer-mandate-fact-sheet.pdf>

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