

Update: June, 2009

Unemployment Tax Alert



FLORIDA SB 810 INCREASES TAXES SIGNIFICANTLY FOR 2010 – 2014

Situation

Senate Bill 810 signed into law by the Governor on June 1, 2009 increases unemployment taxes significantly for tax years 2010 through 2014.

What Employers Need to Know

- Increases the taxable wage base from \$7,000 to \$8,500 for 2010 – 2014
 - The taxable wage base reverts back to \$7,000 in 2015
- Changes the rules for calculating the final and variable adjustment factors used in the employer's rate calculations
 - The changes revert back to 2009 rules in 2015
- Allows the agency to use only the first \$7,000 of wages reported in 2010-2014 when calculating tax rates for 2011 and beyond, eliminating the employer's advantage of higher taxable wages resulting from the wage base increase being used in the rate calculations
 - The higher taxable wages being used in the rate calculation would have reduced the ratio of benefit charges to taxable payroll and could have reduced the overall tax rate.

The state estimates an average 70% overall increase in tax cost over 2009 for most employers beginning in 2010.

What You Can Expect

Through analysis and understanding of state unemployment tax changes, employers can be proactive in unemployment budget planning, impact studies and rate projections. In the event of an impending merger, acquisition, reorganization, or divestiture additional employment tax planning and compliance issues should be examined.

To obtain more information, please contact Dawn Steinbruegge at (314) 684-2517 or via email at dsteinbruegge@talx.com.