

**Unemployment Insurance**

Businesses that employ one or more individuals are subject to Florida unemployment tax. In 2016, new employers pay 2.7% on the first \$7,000 of wages per employee. Any amount over \$7,000 for the year is excess wages and is not subject to tax. A minimum of ten quarters is required to obtain an experience rating in order to determine an employer's revised rate. In 2016, the minimum tax rate is 0.10% and the maximum tax rate is 5.4%.

| State | Taxable Wage Base | Rate (% of Payroll) |              |
|-------|-------------------|---------------------|--------------|
|       |                   | New Employer        | Maximum Rate |
| FL    | \$7,000           | 2.70%               | 5.40%        |
| AL    | \$8,000           | 2.70%               | 7.10%        |
| TX    | \$9,000           | 2.70%               | 7.47%        |
| TN    | \$9,000           | 2.70%               | 10.00%       |
| GA    | \$9,500           | 2.62%               | 8.10%        |
| SC    | \$14,000          | 1.39%               | 5.46%        |
| NC    | \$22,300          | 1.00%               | 5.76%        |

**Workers' Compensation**

Florida's workers' compensation system is managed by the Division of Workers' Compensation and channeled through private insurance carriers. Workers compensation is mandatory in Florida if you employ four or more individuals, or one or more if your business is in the construction industry. Florida employers are assigned one or more classifications based on the type of business; each employee's payroll is then assigned to the appropriate classification. The total payroll for each classification is multiplied by the insurer's filed rate for that classification (rate per \$100 payroll) to determine premium. An employer's basic premium is the sum of the individual classification premiums.

| State | Avg. Premium Rate<br>(per \$100 Payroll) |
|-------|--|
| TX    | \$1.45                                   |
| GA    | \$1.80                                   |
| AL    | \$1.85                                   |
| FL    | \$1.66                                   |
| NC    | \$1.91                                   |
| TN    | \$1.68                                   |
| SC    | \$1.94                                   |

Source: Intuit; Oregon Department of Consumer and Business Services, "Workers' Comp 2016 Premium Ranking"