

EMPLOYER ADVOCATE

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Inside

Message from
the President _____ 2

Washington
Perspective:
The Honorable
Connie Mack _____ 3

Florida's State
Budget Totals
\$31.8 Billion _____ 4

Exercise Your
Right to Vote _____ 5

FBN: On Line
Talk of the Town _____ 6/7

Short Form
Guide to the
Americans With
Disabilities Act _____ 8/9

Compensation
Options _____ 10

Publication
Ordering Information
Voting Records
Tallahassee Perspective _____ 11

Special Session
Wrap-up _____ 12



Workers' Compensation Claims Fraud Prevention & Detection

Recent studies have found that a very large percentage of workers' compensation claims involve some degree of fraud. Fraud may range from a small exaggeration of the ailments to outright deception regarding the existence of an injury or where/how it may have occurred. One study conducted by Broward County found that some degree of fraud was suspected in nearly 75% of their lost-time claims.

Employers can take many steps to help prevent fraudulent and/or exaggerated claims. These practices will result in lower workers' compensation premiums and ultimately save the employer a significant amount of money. Most of these steps do not require an expenditure of funds, but rather a small investment of time.

One of the first steps an employer can take is to ensure the company has good, sound interviewing and hiring practices. It is essential that employees are qualified for the position and are physically capable of performing the basic job functions. A trained and motivated employee is much less likely to have an on-the-job injury. Studies have found that the highest frequency of claims, by far, is with employees who have been on the job less than six months. Pre-employment physicals, when possible, will help ensure a prospective employee is capable of meeting the essential job requirements. Otherwise, an employment application designed to ensure the applicant can perform those requirements or to identify any necessary accommodations is recommended.

After an offer of employment has been extended, a prior injury search should also be made. This will help protect the employer and reduce workers' compensation costs. When an employee who has sustained a previous workers' compensation injury sustains another injury, the costs of the claim may be reduced

significantly through reimbursement from the Special Disability Trust Fund. Call Cindy Bramblett, Senior Vice-President, Administration & Services, at Associated Industries of Florida, (904) 224-7173, for information on our "Job Injury Reporting Service."

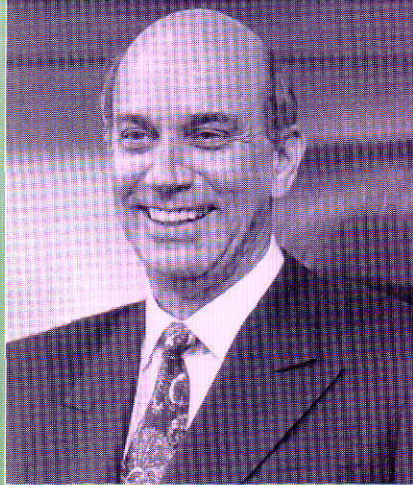
When an injury is reported, the employer should make sure that the injured employee receives immediate, qualified medical treatment and that the insurance carrier is notified as soon as possible. If you are unsure of where to send an employee in non-emergency situations, contact your insurance carrier. With the volume of claims a carrier handles, it generally knows good, qualified medical providers or doctors in your area. When an injured worker feels that he/she is receiving quality medical care, the attitude toward recovery becomes positive, resulting in an earlier return to work.

Another critical step an employer can take is to make early contact with the injured worker and stay in touch. When an employee feels that his employer is concerned about his/her welfare and is willing to help intervene on his/her behalf, an injured employee is much less likely to seek the services of an attorney or to malingering. To the injured employee, your insurance company may appear as a large bureaucratic machine and that he/she is merely another number. With that attitude, the injured worker may be skeptical as to the company advice regarding benefit entitlements.

The employer and insurance company need to work together toward the same goal of returning the injured worker to employment as soon as possible. It is important for the employer to communicate this to the claimant early in the process. This may entail providing light duty work on a temporary basis as the injured worker recovers. A claimant who feels

(continued on page 5)

President's Message



by Jon L. Shebel,
President & Chief Executive Officer, Associated Industries of Florida

Analysts and experts of every stripe make much of the breakdown of community spirit. Sometimes it takes the drama of a crisis to show them the real nature of the American people.

Over the last several weeks, one of those crises unfolded in south Florida. Hurricane Andrew reduced south Dade and north Monroe counties to Third World conditions. The residents of the hardest hit areas lost not only their homes and businesses, their conveniences and comforts, their emblems of memories; the hurricane destroyed their resources of food, clothing, water, and medical care. As the storm's survivors left behind their daily routine of home, school, and work to set out on a struggle to subsist, the nation reacted in the generous spirit of good will.

Three years ago, after Hurricane Hugo ripped across Charleston, the people of that city promised to be the first on the scene of a like disaster. They came with volunteers and precious necessities. Doctors, nurses, law enforcement officers, firefighters, experts of all kinds from around the country

In the Spirit of Friendship

donated their time to the relief effort. Contributions from Americans and foreign governments flowed into the Red Cross and other humanitarian organizations. Soldiers and Marines served meals, built shelters, and cleared debris. The business community stepped forward with enormous donations of supplies, money, and personnel, along with vehicles to transport the food, water, and clothing collected in cities throughout the United States.

Two days after Andrew's trek across Florida's southern tip, state business leaders formed the Florida Business Response Coalition to develop plans for immediate and long-term assistance. The coalition has now consolidated its efforts with *We Will Rebuild*, a Miami-based organization that was created to help the area overcome the devastation left by Hurricane Andrew. President Bush appointed Alvah Chapman, chairman of Knight-Ridder's executive committee, to head the project. A resident of Miami, Chapman's stature as a business and civic leader with excellent organizational skills, brings an aura of success to *We Will Rebuild* at the very beginning of its endeavor. Associated Industries has pledged its assistance to *We Will Rebuild*. I and two of the association's senior staff members are actively involved in the organization.

The area's claim on our assistance will not end in a few weeks or months. Dade County provides 15% of the state's gross domestic product. Insurance experts estimate that only 40% of the businesses hit by the storm will reopen. The cost of the losses

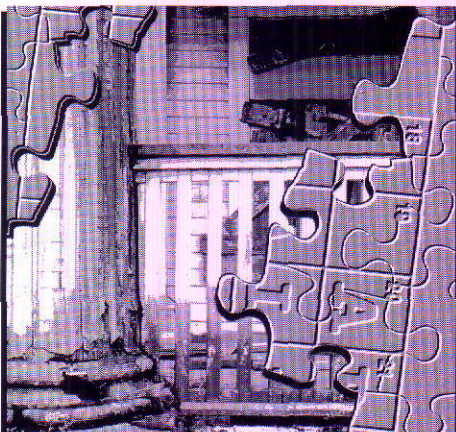
will reverberate throughout our state. Rebuilding the structures of life in south Florida is a matter of economic necessity. It is also a matter of conscience and civic obligation.

When all is said and done, *We Will Rebuild* reflects American values — the belief that private citizens, not government, are the backbone of community spirit and responsibility.

If you would like to join in the effort to repair the damage left by Hurricane Andrew, please write or call:

Mr. Alvah Chapman, Chairman
WE WILL REBUILD
Miami, Florida 33101
1-305-441-5001
for contributions only:
1-800-551-1010

Both goods and financial contributions are desperately needed. Please remember, this is the nation's worst natural disaster. The depth of property damage and personal misery are impossible to describe — you must see it to believe it.



Both the enormity of the disaster and the scope of the recovery effort exceed the images we see on television. A few statistics just begin to illustrate the long-term impact of the storm:

- 65,000 to 85,000 homes left virtually uninhabitable.
- 250,000 in south Dade county left homeless.
- Damages estimated at \$20 billion to \$30 billion.
- 86,000 people thrown out of work.

Small Business Policy Must Create Opportunity

by The Honorable Connie Mack
United States Senate



As I meet with small business owners throughout Florida, I often hear that the heart and soul of American business — small business — is being broken by over-regulation and over-taxation.

To help restore the American spirit of innovation and competition in business, Congress must realize that the pressure of government on business has been too great. Without the benefit of policies that spark expansion and job creation, the core of our nation's economy won't be able to help drive America out of its economic slow-down.

In response to the concerns I have heard throughout the state, I believe Congress must enact legislation to help small business obtain credit, be free from over-regulation, and obtain affordable health care. The cornerstone of the plan is a cut in the capital gains tax.

A reduction in the capital gains tax from 28 to 15 percent would create capital, which would strengthen our nation's economy. President Kennedy believed that a capital gains tax cut would stimulate the economy, yet today's Congressional leaders hold the issue as a political hostage.

The contribution of small business to America's economic well-being is substantial. Forty-nine percent of working Americans are employed in this sector of the workforce. Between 1988 and 1990, firms with fewer than 20 employees created more than 4 million new jobs. Today, small businesses continue to generate most of the new jobs, accounting for an estimated 90 percent of net private growth.

My legislation addresses a variety of areas which adversely affect small business. We must enact policies that provide Americans with the freedom to succeed, even if it means risking failure. The freedom to succeed is the American dream, and I want Americans to have that freedom.

In addition to a capital gains tax cut, I have proposed a 23-point program which includes:

- Calling on agencies to appoint ombudsmen to mediate disputes between small businesses and regulatory authorities.
- Increasing the Small Business Administration 7(a) loan guarantee program from its current level of \$3.8 billion to \$12 billion by 1994.
- Strengthening the Regulatory Flexibility Act to ease regulatory burdens on small business.
- Allowing self-employed individuals to take a 100 percent deduction on health insurance instead of the current 25 percent.
- Providing tax credits for health insurance costs to small businesses which join insurance purchasing groups.
- Establishing uniform insurance claims forms to cut-down on paperwork.
- Making it harder for insurance companies to cancel and restrict health insurance policies for small business.
- Eliminating excessive paperwork for small businesses applying for an SBA loan.

State Budget For 1992-93 Totals \$31.8 Billion; Nearly \$3 Billion, Or 10%, More Than Last Year

Some Believe This is Not Nearly Enough

\$ in billions	1991-92		1992-93 Appropriations		% Increase
	Spending	General	Supplemental	Total	
General Revenue	\$11.141	\$11.492	\$.368	\$11.860	6.5%
Trust Fund	\$17.720	\$19.731	\$.201	\$19.932	12.6%
All Funds	\$28.862	\$31.223	\$.569	\$31.792	10.2%

Source: Florida Legislature and Florida TaxWatch, Inc., July 8, 1992.

On July 1, 1992, the Florida Legislature and the Governor finally came to agreement on a state spending plan for FY 1992-93. The Governor had pledged to accept nothing less than \$1.35 billion in new taxes (the first year of a \$2.5 billion annualized tax increase). Despite his objections, he relented and signed a \$31.2 billion General Appropriations Act and a supplemental appropriations bill to provide \$569 million in additional spending.

Although the \$31.8 billion total appropriation is far short of what the Governor wanted and only funds per pupil spending at roughly last year's level, the spending increase is significant. The state will spend nearly \$3 billion, or 10.2%, more than the \$28.9 billion it spent last year (1991-92). It is substantial when viewed in terms of how Florida's economy is expected to grow this year and when compared to the demands put on government by population and inflation.

The growth in spending is almost double the combined growth rate of population and inflation of 5.3%. Inflation is expected to be 3.4% while population should increase 1.8%. Further, spending also far exceeds the projected growth in Floridians' total personal income of 6.0%.

Of course, population and inflation alone do not tell the whole story of added demand for government services. Other workload and caseload increases, particularly in expensive areas like the state's \$5 billion Medicaid program, put a tremendous strain on the budget. The state's increasing unemployment and poverty caused by the recession mean more people need government help. Substantial caseload increases occurred in Medicaid (26.4% more eligible persons) and Aid to Families with Dependent Children (24.7% more recipients). This growth follows increases of 26% and 29%, respectively, last year. These are Florida's budget busters.

The new budget does not do everything it should. But what should not be forgotten is that Florida will spend considerably more of Floridians' money than it did last year. In fact, the 10.2% growth is not far below the 11.7% average growth for the last ten years.

How can we keep spending so much money while continuing to fall father behind? Perhaps revenues are not spent in ways that

will do the most good and help to make a better Florida. If business as usual is going to cost Floridians 10% more every year, how much will it cost to begin making a difference? Just continuing this budget's growth will double the state budget in only seven years. Prioritization, revising policies and management decisions to control the budget busters, true rightsizing and holding government accountable for performance and results must be enacted in law and become standard operating procedures.

Florida's Economic Growth

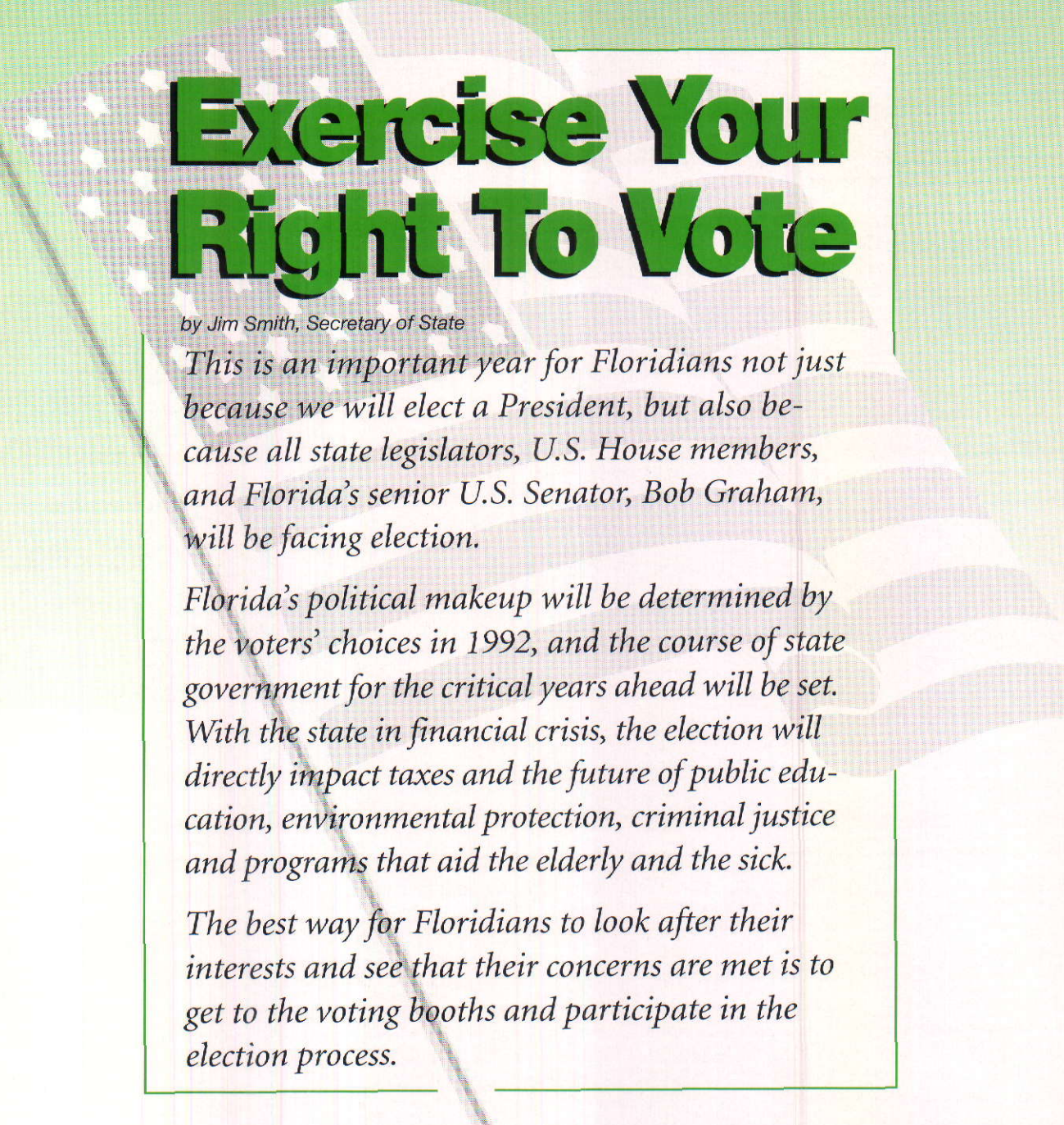
1991-92 to 1992-93

Population	1.8%
Inflation	3.4%
Population x Inflation	5.3%
Personal Income	6.0%

Other Budget Busters

Medicaid Eligible	26.4%
AFDC Recipients	24.7%
School Enrollment	3.2%
Prison Admissions	5.6%

Source: Florida Consensus Estimating Conference and Florida TaxWatch, Inc., July 1992.



Exercise Your Right To Vote

by Jim Smith, Secretary of State

This is an important year for Floridians not just because we will elect a President, but also because all state legislators, U.S. House members, and Florida's senior U.S. Senator, Bob Graham, will be facing election.

Florida's political makeup will be determined by the voters' choices in 1992, and the course of state government for the critical years ahead will be set. With the state in financial crisis, the election will directly impact taxes and the future of public education, environmental protection, criminal justice and programs that aid the elderly and the sick.

The best way for Floridians to look after their interests and see that their concerns are met is to get to the voting booths and participate in the election process.

Workers' Compensation Claims Fraud Prevention & Detection *continued from page 1*

abandoned by his/her employer with little prospect of returning to his/her job is much more likely to malingering and/or seek the services of an attorney.

These simple steps do not always work in preventing fraud or malingering. When an employer does suspect fraud, he/she should advise the insurance carrier of the suspicions. Warning signs include:

(1) claimant never home when called and/or returns call next day;

(2) claimant frequently cancels, reschedules or does not show up for medical or therapy appointments;

(3) claimant shows little interest in returning to work or finds light duty work "too strenuous";

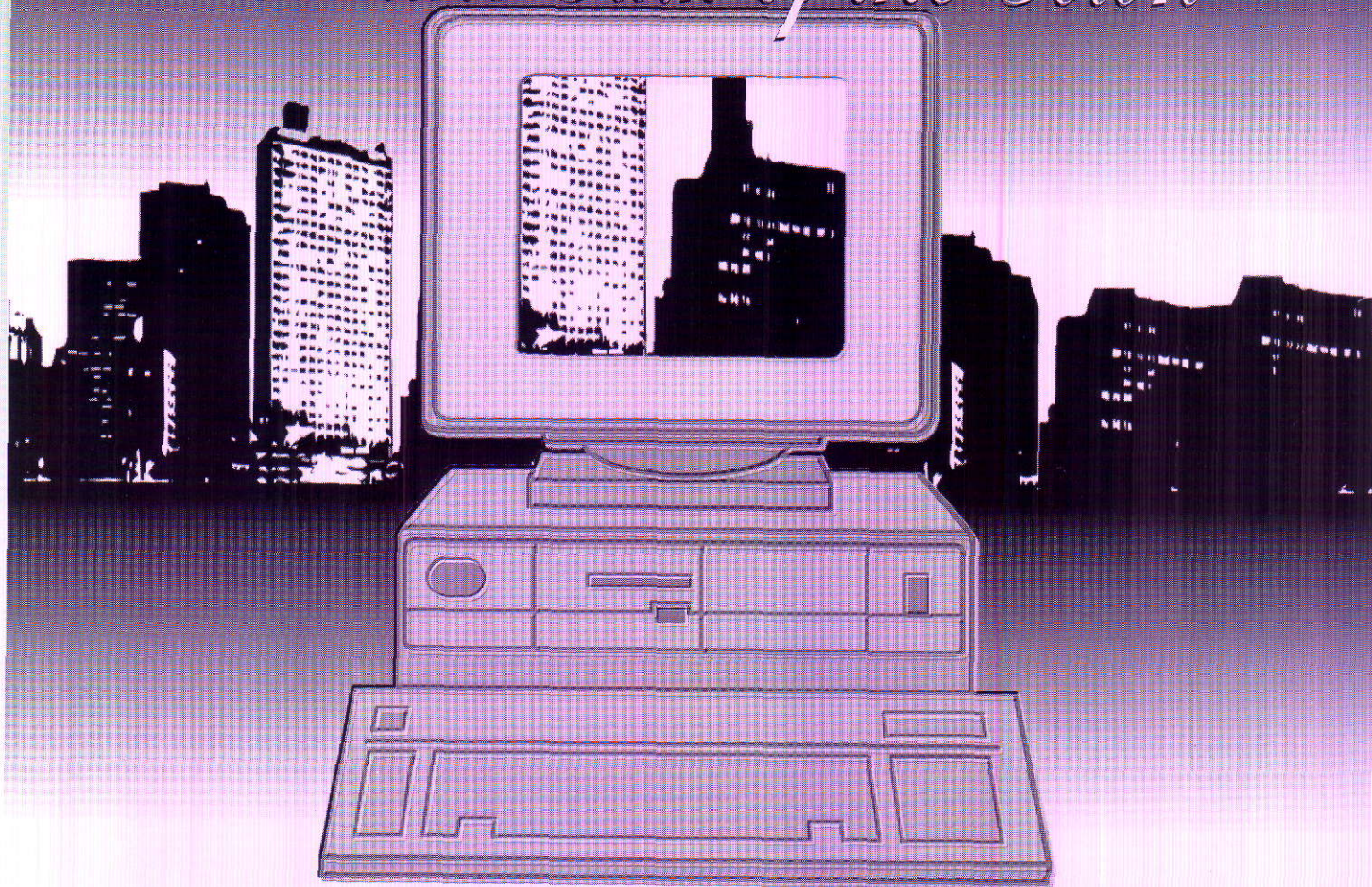
(4) problems with the employee/employer relationship prior to the injury.

In summary, an employer needs to work closely with the injured worker and the insurance company. One must bear in mind

that soft tissue injuries (e.g. back strain) are the most common injuries. Due to the fact that these injuries involve subjective pain, they are the most susceptible to fraud and exaggeration. The attitude and motivation of the claimant can play a large role in this area. However, when subjective pain is involved, also be aware that the courts will more often than not rule favorably with the claimant. Therefore, preventive measures are the best.

Florida Business Network

On-line Talk of the Town



"We had another system before, but it was so complicated I didn't even use it. This session, the Network has made a world of difference."

Martha Cleaver, with the law firm of Carlton Fields, is talking about the Florida Business Network, a computerized governmental information system designed by AIF for the business community and anyone else interested in state government in Florida. The 1992 Legislative Session marked FBN's entry into the hectic world of keeping pace with Florida lawmakers. According to the people who use it, the first year was an unqualified success.

Pam McKinnon, a lobbyist for the firm of Mirabella, Smith and McKinnon, is another FBN subscriber. "I've used other systems before, but this one is so much quicker and easier to use. In the past, I would come in at 7:00 in the morning to get ready for the day." Now she comes in later, spends a few minutes at the computer, and then heads

over to the Capitol. "The Network gives me more hours to be productive."

On average, legislators file about 3,000 different bills during the Regular Session. Every bill undergoes review by legislative committees, subcommittees and staff members before it gets to the floor of the House or Senate. FBN keeps track of all the bills that are filed and alerts subscribers to any change in a bill's status.

McKinnon's firm follows about 300 pieces of legislation during the session. "Every single bill is on the system, so you can find anything you need to know about any of them," she explains. "FBN's tracking resources let you focus on your issues. Everything we need to know is in one place."

Bill Herrle handles lobbying chores for the National Federation of Independent Business - Florida, an association that represents almost 19,000 business owners. Herrle is also a subscriber to FBN. "It saves time and in the Capitol, time is precious. If you don't hear about something until several hours after it's happened, you lose your chance."

No matter what the newspapers say, gifts and campaign contributions are not the commodities that make a lobbyist effective. These professional persuaders build their success on a reputation for good, reliable data. As Herrle describes it, "So much of a lobbyist's work is intelligence-gathering. After a while, gathering intelligence requires no particular skill — it becomes mechanical." FBN subscribers appreciate the system's ability to compile huge quantities of necessary information that is easy to retrieve. "Before, I'd have to spend time getting the information myself," Herrle adds. "Now I can spend my time gathering information that may be harder to get but is more meaningful."

Herrle, McKinnon, and Cleaver say FBN is more than simple to use; it's fun. As a matter of fact, Herrle uses the system on his home computer that he keeps in the family room. He spent two weeks browsing through the system while he watched the Olympics. "Sometimes I'll read something in the condensed news clips section and it'll get me started on a search. A



Martha Cleaver and Randy Miller, with the law firm of Carlton Fields, scan the Florida Business Network for the latest information on Capitol happenings.

couple of weeks ago I read a newspaper article with a quote by Representative (Elaine) Gordon. That quote got me going through the system to find out how she voted on some issues and other things she had said."

FBN was specially created for those people who don't employ the term "user-friendly" when they describe computers. Herrle says that once he types in his password and account number, he only uses five keys to make his way through the system's huge, complex data base. McKinnon and Cleaver both told stories of "computer-haters" in their office who love the system. Neither used names.

The subscribers also praise FBN's staff. Cleaver claims that she's never asked for anything and had to wait more than an hour to get it. McKinnon says her experience has been the same. "The staff is very good at implementing ideas. The service is very individualized."

Steve Trickey is the Vice President and Chief Operating Officer for FBN. "Customer service has been the greatest key to our success. We spend a lot of time making sure subscribers are trained. We try to be their total information source. Just because something's not on the system doesn't mean we can't get it for them."

Trickey was a legislative assistant for AIF when he was given the responsibility for guiding the system through the development stage. He was told by Jon Shebel, AIF's president, to take FBN a step beyond existing on-line systems. "We did that by making the system interactive and by putting on reports and analyses from subscribers and content experts. That's something the others don't do."

Trickey worked with the AIF Management Information Systems Department (MIS), headed by Executive Vice President - (MIS) Chris Jensen and his assistant, Steve Cullifer. "Each of us brought our own per-

spective. Jon knew what lobbyists would need. I knew what legislative assistants would need. Chris and Steve would tell us what the computer could do."

Since it's become operational, Trickey credits the subscribers for other innovations. "Now about 80% of all the upgrades we've made have been suggested by the subscribers. Most of them think of it as 'their' system. That's the way we wanted it to be." And while the original subscribers were lobbyists, the customer base is expanding. "We're getting a lot

of groups that don't lobby, but they want to know what's going on in Tallahassee."

And that's what Shebel had in mind when he allocated staff resources to develop FBN. He wanted to form a legislative resource for the business community. Shebel hopes that FBN will become the centerpiece in an overall effort to strengthen the business presence in the state capital. Herrle sums it up, "When we have all the business lobbyists and thousands of business owners getting involved, then all the trial lawyers and doctors who stand in the way of good business legislation will have to watch out."

Announcing FBN's Newest Program

The 1992 legislative districts have been drawn and the filing period has ended.

How will you cast your vote?

Florida Business Network's newest program - **1992 Election Coverage** - contains the most comprehensive information available on all candidates for what may be one of Florida's most important election cycles. Options include:

- **Complete Candidate Information**
Bio's, directory information, voting history for all incumbents, news articles, and other reports.
- **District Data** - *Complete county and district demographics as well as a history of district elections.*

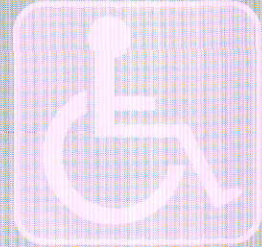
For more information contact Stephen Trickey, Vice President & Chief Operating Officer of Florida Business Network at (904) 224-7173.

✓ Check Out What FBN's Got

- ✓ *Access to AIF's entire data bank of business voting records dating back to 1979. Also, every vote cast by every legislator during a session will be available on screen.*
- ✓ *Directory and biographical information on each legislator.*
- ✓ *Complete directory of all state agencies & the judicial branch.*
- ✓ *Complete member directories on all legislative committees.*
- ✓ *Daily agenda information for all committee meetings.*
- ✓ *Expert analyses & summaries of meetings, proposals, & the "hot" issues.*
- ✓ *Complete bill history on all House/Senate bills and PCB's, including actions and all votes on each bill.*
- ✓ *Programs that let you create your own personalized bill tracking list and access reports on your tracking list only.*
- ✓ *Ability to track legislation through Statute Chapters.*
- ✓ *Immediate news and highlights on FBN's Alert Screen.*

Let FBN Go To Work For You

The services provided by FBN save you time for more important matters. For additional information contact Stephen Trickey, Vice President & Chief Operating Officer of Florida Business Network at (904) 224-7173.



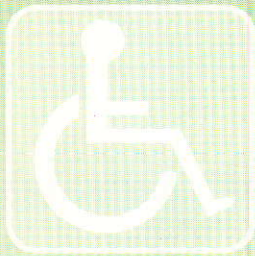
A Last-Minute Short Form Guide to the Americans With Disabilities Act

by John-Edward Alley
Alley & Alley Chartered

Title I of the Americans with Disabilities Act (ADA) went into effect for employers with 25 or more employees on July 26, 1992. A great deal of information has been published regarding the ADA. However, the following outline may be a helpful last minute guide to compliance with the ADA.

PRE-EMPLOYMENT INQUIRIES

- (1) Before making a job offer, an employer **may not** ask questions about an applicant's disability, require an applicant to take a medical examination, ask an applicant to respond to medical inquiries or ask an applicant to provide information about workers' compensation claims.
- (2) Before making a job offer, an employer **may** ask questions about an applicant's ability to perform specific job functions.
- (3) Before making a job offer, an employer **may** ask an applicant to describe or demonstrate how a specific job function will be performed if it asks such a question of all applicants applying for a job in the same job category, regardless of disability.
- (4) Before making a job offer, an employer **may** ask an applicant to describe or demonstrate how a specific job function will be performed if an applicant has a known disability which would appear to interfere with or prevent performance of a job-related function, even if it does not ask such a question of all applicants applying for a job in the same category. If an applicant has a known disability which does not appear to interfere with or prevent performance of a job-related function, the employer **may not** ask the applicant to describe or demonstrate how a specific job function will be performed unless such a question is asked of all applicants for a job in the same category.
- (5) An employer **may** make a job offer that is conditioned on the satisfactory results of a post-offer medical examination or medical inquiry. Of course, the defense of a later withdrawal of the offer will be problematic and have to be based principally on the results of the medical examination or inquiry.
- (6) After making a conditional job offer and before an individual starts to work, an employer **may** conduct a medical examination and ask health-related questions, if all candidates who receive a conditional job offer in the same job category are required to take the same examination and/or respond to the same inquiries.



POST-EMPLOYMENT INQUIRIES

- (1) After a person starts work, a medical examination or inquiry of an employee **may** be conducted only if the examination or inquiry is job-related and consistent with business necessity.
- (2) Employers **may** conduct employee medical examinations: a) where there is evidence of a job performance or safety problem, b) where the examination is necessary for reasonable accommodation, c) where the examination is required by other federal laws, d) where the examination is conducted to determine current "fitness" to perform a particular job and f) where the examination is a voluntary examination that is part of an employee health and wellness program.

REASONABLE ACCOMMODATION

- (1) An employer is obligated to make an accommodation only to the known limitations of an otherwise qualified individual with a disability.
- (2) An employer is responsible for notifying job applicants and employees of its obligation to provide accommodations for otherwise qualified individuals with disabilities by posting the notice provided by the EEOC.
- (3) An employer **may** request written medical documentation from a health care provider or other professional if an applicant or employee requests an accommodation and the need for the accommodation is not obvious, or if the employer does not believe that the accommodation is needed.

CONFIDENTIALITY OF MEDICAL INFORMATION

- (1) Information from all medical examinations and inquiries **must** be kept apart from general personnel files as a separate, confidential medical record. Therefore, employers should consider reviewing all existing personnel files and removing all medical-related material and placing it in a separate confidential medical information file in order to protect the confidentiality of this information as required by the ADA. Such documents may include such information as doctor's excuses for absences and employee requests for time off or a leave of absence for medical reasons.
- (2) While medical information must be kept confidential, it **may** be provided to: a) supervisors and managers to inform them about necessary restrictions on the work or duties of employees and any necessary accommodations, b) first aid and safety personnel if a disability might require emergency treatment or specific procedures are needed in the case of fire or other evacuations, c) government officials investigating compliance with federal and state laws when relevant information is requested, d) state workers' compensation offices or "second injury" funds if the information is relevant and provision of the information is in accordance with the state law, and e) insurance companies where the insurance company requires a medical examination to provide health or life insurance for the employee.

DRUG AND ALCOHOL ABUSE - SEPARATE AND NOT EQUAL

- (1) A person who is an alcoholic is an "individual with a disability" protected under the ADA. However, an employee who uses alcohol **may** be required to meet the same standards of performance or conduct that are set for other employees. Additionally, the employer **may** discipline, discharge or deny employment to an alcoholic whose use of alcohol impairs job performance or conduct to the extent that he or she is not a "qualified individual with a disability."
- (2) A person who is currently engaging in the illegal use of drugs is not an "individual with a disability" protected under the ADA, and **may** be discharged or denied employment on the basis of such use. However, an employer **may not** discriminate against a drug addict on the basis of a history of drug addiction when the drug addict is not currently using drugs.
- (3) An employer **may** test for the illegal use of drugs by applicants and employees as such tests are not considered to be medical examinations.
- (4) An employer **may** prohibit the illegal use of drugs anywhere and the use of alcohol at the workplace.
- (5) An employer **may** require that employees **not** come to work or return from meals under the influence of alcohol or illegal drugs.



COMPENSATION OPTIONS

You and Your Employees Deserve a Break

Good employees are hard to find and harder to keep. A competitive compensation package of salary and benefits can help attract and retain valued workers. Some fringe benefits provided to employees need not be taken into account for payroll tax purposes. That means the employer saves on FICA and FUTA costs, and the employee on FICA and withholding. The employee can enjoy the benefits without an increase in salary which can be especially important these days in view of the various reductions and phaseouts which are based on adjusted gross income. In addition, the employer can deduct the cost of providing these benefits. (Some of these benefits are limited to corporate employees; self-employed individuals do not qualify.) So, when you plan the employee benefit package, consider the following options:

Medical Benefits

An employer can pay **accident and health insurance premiums** for its employees and their dependents and receive a full deduction for the premiums paid, while the premiums are tax-free to the employees. Employers may also pay for **medical and dental expenses** of employees and their dependents or reimburse the employee for expenses. These payments are tax-free to employees and tax deductible by the employer. Company-paid **medical examinations** are also tax-free to the employee and deductible by the employer.

Insurance

Employer-paid **group-term life insurance** up to \$50,000 per employee is not taxable to the employee and is deductible by the employer. (Coverage in excess of that amount is taxable to the employee under favorable rules.) Employer contributions to **prepaid group legal insurance plans** are tax-free to the employee, as are benefits received. The premiums are deductible by the employer.

Other Benefits

Educational assistance:

Certain job-related educational expenses, paid by the employer, do not have to be declared as income by the employee for tax purposes.

Business travel:

Expenses paid by the employer are generally tax-free to the employee and deductible by the employer.

Business meals and entertainment:

Business meals that occur under circumstances conducive to business discussion and entertainment that is directly related to business, are not taxable to the employee; 80% of the expenses are deductible by the employer.

Meals on premises:

The cost of food and beverages furnished on the business premises of the employer for its convenience are not taxable to the employee; 80% of the expenses are deductible by the employer.

Lodging:

Housing furnished by the employer on its business premises for the employer's convenience and as a condition of employment is not taxable to the employee and is deductible by the employer.

Housing assistance:

Home mortgage or purchase assistance can be provided to employees on a tax-favored basis. Reimbursement of qualified employee moving expenses is deductible by the employer and not taxable to the employee.

Employee gym:

Expenses of running an employee gym are deductible by the employer, as long as the gym is not primarily for the benefit of highly compensated employees. This benefit is not taxable to the employee.

Club memberships:

Amounts paid for memberships in business, professional, country, social and athletic clubs may be tax-free to the employee and deductible by the employer if the facilities are used primarily for furthering the employer's business.

Tax, investment, and financial counseling services:

Such fees are income to the employee (but may be deductible by the employee). They are deductible by the employer.

Death benefits:

A death benefit of up to \$5,000 is not taxable to the beneficiary, and is deductible by the employer.

Dependent care:

Dependent care assistance may be provided to employees on tax-favored terms.

Employee awards:

Awards for length of service or safety achievement are excludable from the employee's gross income and are deductible by the employer where the aggregate cost of awards, whether qualified or not, made to the same employee during the year does not exceed \$1,600 and the aggregate cost is no more than \$400 for awards that are not qualified plan awards.

It is not feasible to discuss the tax consequences of every benefit in the space of this article. Please consult your financial or legal advisor for more details on the applicability of each to your individual situation.

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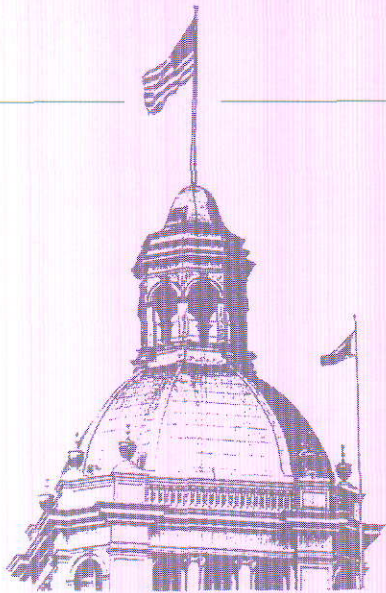
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Special Session Wrap-Up

It seemed as though the Florida Legislature would never go home with budgetary squabbling causing delay after delay. But, the day finally arrived. Already, however, there is talk of another "short" special session to address the pari-mutuel industry.

One would think that legislators are aiming for year-round legislative sessions like California.

Looking at the recent Special Session "H" in retrospect might make one wonder why the matters addressed could not have been handled during the 1992 Regular Session. In the environmental area, for example, the only thing accomplished was the passage of legislation delaying the implementation of the Advanced Deposit Fee (ADF). This could very well have passed during the Regular Session. AIF proposed the delay early in the session. All of the solid waste debates were for naught.

The budget debate also represents unnecessary wasting of time—and politics at its worst! The Governor stubbornly refused to back off from his revenue demands and legislative leaders showed just how little leadership they could exert. The end result was an increase in taxes and fees of just under half a billion dollars, a far cry from the \$1.3 billion sought by the Governor.

Special Session "H" also resulted in the passage of an increase in the unemployment compensation maximum weekly benefit amount from \$225 to \$250. While we would have preferred to see no increase, a flat dollar increase definitely beats the indexing approach being promoted by key House and

Senate Democrats. With the maximum weekly benefit amount set at 60% of the statewide average weekly wage, Florida employers would expect to see automatic increases in the maximum every year.

The Florida Civil Rights Act of 1992, passed during the Regular Session, was also amended during Special Session "H." The effective date was changed to give Florida citizens more time to prepare for its implementation. The legislation which passed also corrected a "glitch" in the bill passed during the Regular Session, which omitted a key provision regarding the award of attorney's fees in civil rights cases. Finally, the "glitch" bill contained a provision which basically provides that the adherence by an employer to an existing anti-nepotism policy will not, in itself, constitute a discriminatory act under the Florida Civil Rights Act of 1992.

Finally, despite the fact that nearly every lobbyist in Tallahassee was involved on one side or another of the medical joint ventures issue, no legislation passed during the Special Session. Pressure was intense to eliminate the fee cap language which was part of the bill which the Governor signed into law following the 1992 Regular Session. What opponents of the fee cap were unable to accomplish in the Legislature, however, they managed to secure through recent court decisions.

Many of the issues heard during Special Session "H" will be back for consideration during the 1993 Regular Session, if not before.

We would like to alert you to AIF's *Voting Records* which have been recently released. Please note that they are far more comprehensive than ever before. We feel that a larger number of votes better reflects the voting patterns of legislators and has more validity statistically.

Also available soon is AIF's *Tallahassee Perspective*, a summary of key business legislation.

Associated Industries of Florida

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