

## San Francisco's 2015 Minimum Healthcare Expenditure Requirements

San Francisco employers are required to pay a certain amount toward the healthcare costs of their employees who work in the city. The city's Office of Labor Standards Enforcement has issued the spending rates for 2015.

### Background

The San Francisco Health Care Security Ordinance (HCSO) requires covered employers to make payments toward their San Francisco employees' healthcare costs. The requirement applies to employers with 20 or more employees in the US who have at least one employee in San Francisco. In general, the payment must be made with respect to employees who are entitled to be paid minimum wage, have been employed by the employer for at least 90 calendar days, and work at least 8 hours per week in San Francisco. Employers can satisfy the requirement by paying for medical, dental, vision, or other healthcare coverage, or by making a payment to the city of San Francisco. (See our [February, 26, 2014](#) edition of *For Your Information*.)

#### Annual Reporting

Covered employers are required to submit an Annual Reporting Form by April 30th.

### 2015 Expenditure Rates

The HCSO provides that a minimum amount must be spent for each covered employee for each hour paid for work in San Francisco. As of January 1, 2015, the rates are as follows:

Employer Healthcare Expenditure Rate Schedule				
Business Size		January 1, 2014	January 1, 2015	% Change
Large	100+ employees	\$ 2.44/hour paid	\$ 2.48/hour paid	1.6% increase
Medium	20 – 99 employees	\$ 1.63/hour paid	\$ 1.65/hour paid	1.2% increase
Small	1 – 19 employees	Not applicable		

## Notice and Annual Reporting

In addition to making the HCSO payments, employers are required to post, as of January 1, 2015, the 2015 HCSO [notice](#) in all workplaces with covered employees. They must also file an Annual Reporting Form (ARF) with the Office of Labor Standards Enforcement by April 30. The ARF for 2014 reporting is expected to be available in March of 2015.

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