

COMPLIANCE ALERT

SAN FRANCISCO HEALTH CARE SECURITY ORDINANCE 2019 ANNUAL REPORT FORM CANCELLED

April 1, 2020

QUICK FACTS

- The San Francisco Health Care Security Ordinance (HCSO) requires covered employers to pay a certain amount – an Expenditure – toward their covered employees’ health care costs.
- Covered employers must report HCSO-related data to the City of San Francisco by filing an Annual Reporting Form (ARF) by April 30 for the prior calendar year.
- The 2019 ARF requirement is cancelled due to a City-wide emergency proclamation related to the COVID-19 (aka novel coronavirus) pandemic.
- All other HCSO requirements (including required Expenditures) remain in full effect. The deadline for Q1 2020 Expenditures is April 30, 2020.

BACKGROUND

The San Francisco Health Care Security Ordinance (HCSO) requires covered employers to pay a certain amount – a Health Care Expenditure (Expenditure) – toward their covered employees’ health care costs. The San Francisco Office of Labor Standards Enforcement (OLSE) regulates the HCSO.

A covered employer that does not meet the required Expenditure per quarter must make additional Expenditures within 30 days of the end of each quarter. Employers with self-funded (“pay as you go”) plans may calculate the Expenditures paid under those plans after the end of the calendar year. If any Expenditures are due, an employer with this type of self-funded plan must make “top-off payments” no later than the end of February following the calendar year for which the Expenditure applies. For more details about SF HCSO requirements, please refer to this EPIC [article](#).

2019 ANNUAL REPORTING FORM (ARF) CANCELLED

Covered employers must report to the City the number of employees eligible for employer Expenditures and the amounts contributed towards the Expenditure for the prior calendar year by filing an Annual Reporting Form (ARF). The ARF is generally due by April 30 for the prior calendar year. However, the OLSE recently [announced](#) the cancellation of the requirement to file the 2019 ARF due to a City-wide emergency proclamation related to the novel coronavirus.

Because of the pandemic, many City employees have been reassigned from their normal duties to assist with the City’s emergency response efforts. Thus, it is likely that the OLSE determined that monitoring ARF compliance is not a high priority at this time.

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HCSO REMAINS IN EFFECT

The HCSO (along with all other San Francisco labor laws) remains in full effect. Employers must continue to make Expenditures within the required time frames. The general deadline for Q1 2020 Expenditures is April 30, 2020.

EPIC Employee Benefits Compliance Services

For further information on this or any other topic, please contact your EPIC benefits consulting team.

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