



SFO HCSO Annual Reporting

Issue Date: April 2016

Attention Covered Employers under the HCSO – the Annual Reporting deadline is approaching. To avoid penalties, Forms must be submitted by April 30, 2016. Online submission is available.

Background

The San Francisco Health Care Security Ordinance established several employer healthcare related obligations enforced by the Office of Labor Standards Enforcement (OLSE). This ordinance requires reporting to be filed documenting employee healthcare expenditures for 2015.

Do I need to submit a report?

All “covered employers” must submit a report. You are a “covered employer” if you employ 20 or more persons and at least one of those employees works within the city of San Francisco for 10 or more hours per week. For example, if your company employs more than 20 people and only one of those employees works in San Francisco, your company is subject to this ordinance.

If I am not a “covered employer” do I need to submit a report?

No. Employers meeting the following criteria do not need to comply with HCSO:

- Employers with fewer than 20 employees, including those employed outside of San Francisco, in each of the four calendar quarters of 2015; or
- Employers with no employees in San Francisco in 2015.

How do I file a report?

You can access the Instructions and the Form at www.sfgov.org/olse/hcso. It’s important to note that once you start the online Annual Reporting Form you cannot save it and return to it later.

To complete the Form, you will need the following information:

- Your six-digit Business Registration Certificate Number. (You can find this number on the Business Registration Certificate issued by the San Francisco Treasurer and Tax Collector or on the letter mailed to you about submitting this Form.)
- The total number of persons employed (worldwide) for each quarter.
- The number of employees covered by the HCSO for each quarter.
- Total healthcare expenditures made in each quarter of 2015, including:
 - Total payments for health insurance (medical, dental and vision);
 - Total contributions to the City Option (Healthy San Francisco and Medical Reimbursement Accounts (MRAs));
 - Total contributions to Health Savings Accounts and Medical Savings Accounts; and
 - Total allocations to and total reimbursements from Health Reimbursement Accounts (HRAs).
- Surcharges collected from customers to cover, in whole or in part, the cost of complying with the HCSO.
- Information concerning the “Fair Chance Ordinance.”

Corrections/Resubmissions

If you make an error on your Annual Reporting Form, you may resubmit a corrected Form by starting a new Form at www.sfgov.org/olse/hcso. The corrected submission will replace any Form submitted previously with the same Business Registration Certificate Number.

Covered employers must submit the 2015 Employer Annual Reporting Form by April 30, 2016 or be subject to penalties of \$500 per quarter.

2016 Healthcare Expenditure Rates

As a reminder, the 2016 healthcare expenditure rates were effective January 1, 2016, and are as follows:

Employer Size	Rate Per Hour
Large Employers (100+ Employees)	\$2.53
Medium Employers (20-99 Employees)	\$1.68

The Employer Spending Requirement requires qualifying employers to make healthcare expenditures on behalf of all covered employees. If you believe this reporting requirement applies to your organization, please visit the [San Francisco HCSO](http://www.sfgov.org/hcso) government website to learn more about HCSO.

Please be aware that this does not represent legal or tax advice and is only Frenkel's interpretation of the laws, regulations and statutes. It is highly recommended that you seek the advice of your legal and tax professional as to the applicability of this information to your particular situation.