

# Compliance Alert



## Compliance Alert- 2016 San Francisco HCSO Annual Reporting Form Released with a May 1 Filing Deadline

April 10, 2017

By: Karen Hooper, Compliance Director

### 2016 San Francisco HCSO Form Released

If you are a San Francisco employer, you have an extra day to file your 2016 Health Care Security Ordinance (HCSO) Annual Reporting Form. Since April 30<sup>th</sup> falls on a Sunday, the due date for this filing is **May 1, 2017**.

#### How do you know if you need to file?

You are a covered employer and are required to file if you met the following three conditions in 2016:

- employed one or more workers within the geographic boundaries of the City and County of San Francisco;
- were required to obtain a valid [San Francisco business registration certificate](#) pursuant to Article 12 of the Business and Tax Regulations Code, and
- employed 20 or more persons worldwide (for profit) or a nonprofit organization that employed 50 or more persons worldwide.

#### **Below are links to the necessary information.**

- [2016 Employer Annual Reporting Form](#)
- [PDF Preview](#) of 2016 Annual Reporting Form
- [Instructions](#) to complete the Annual Reporting form

The penalty for failure to submit the form is \$500 for each quarter that the violation occurs.

#### **Some of the key information required to be completed in the report include:**

- San Francisco [Business Account Number](#)
- Total number of employees in each quarter (nationwide)
- Number of employees covered by the HCSO in each quarter (SF only)
- Total number of HCSO covered employees (and dependents) enrolled in the company's medical/dental/vision plan in each quarter
- Total amount of employer-share of medical/dental/vision plan premium paid for all HCSO covered employees (and dependents) in each quarter
- Quarterly city option contributions (number of persons and amount spent)

- Quarterly employer HSA contributions for HCSO covered employees (number of persons and amount contributed)
- Paid Parental Leave Ordinance survey (see [our full webinar](#) for details)
- Fair Chance Ordinance reporting (related to hiring and employment process for individuals with arrest and conviction records)

**Covered employers must meet the following obligations:**

1. Satisfy the Employer Spending Requirement by making required health care expenditures on behalf of all covered employees (generally those who have been employed for more than 90 days, regularly work at least 8 hours per week in San Francisco, and for whom no exception applies) at the following rates:

Employer Size	Number of Employees	2016 Expenditure Rate	2017 Expenditure Rate
Large	100 + employees	\$2.53/hour payable	\$2.64 per hour payable
Medium	Businesses w/20 – 99 employees  Non-profits w/50 – 99 employees	\$1.68/hour payable	\$1.76 per hour payable
Small	Businesses w/0-19 employees  Non-profits w/0-49 employees	Exempt	Exempt

2. Maintain records sufficient to establish compliance with the employer spending requirement
3. Post an HCSO Notice in all workplaces with covered employees
4. Submit the Annual Reporting form by April 30<sup>th</sup> each year (May 1, 2017 for 2016).

For more information on all of the HSCO requirements, check out the [SF OLSE's official HSCO website](#). A recording of the ABD Office Hours Presentation: [The San Francisco Health Care Security Ordinance: A Refresher Course in the HCSO Basics for the SF Employers](#) is also available for viewing.

*Disclaimer: The intent of this analysis is to provide the recipient with general information regarding the status of, and/or potential concerns related to, the recipient's current employee benefits issues. This analysis does not necessarily fully address the recipient's specific issue, and it should not be construed as, nor is it intended to provide, legal advice. Furthermore, this message does not establish an attorney-client relationship. Questions regarding specific issues should be addressed to the person(s) who provide legal advice to the recipient regarding employee benefits issues (e.g., the recipient's general counsel or an attorney hired by the recipient who specializes in employee benefits law).*