

## SAN FRANCISCO HEALTH CARE SECURITY ORDINANCE 2014 HEALTH CARE EXPENDITURE RATES ANNOUNCED

The City of San Francisco has recently announced that the employer health care expenditure rate under its Health Care Security Ordinance (HCSO) will increase as of January 1, 2014. For large businesses (100 or more total employees) the rate will be increased to \$2.44 per hour, up from the current \$2.33 per hour. The rate for medium-sized businesses (20-99 total employees) will be \$1.63 per hour, up from \$1.55 per hour this year. Employers with less than 20 total employees are exempt from the requirement.

The HCSO generally requires employers with 20 or more employees during a quarter to make health care expenditures on behalf of those employees who perform at least eight (8) hours of work per week within the geographic boundaries of San Francisco. Health care expenditures include, but are not limited to, payments to a third party to provide health care coverage or services; payments to the City for the City Option (which includes Healthy San Francisco and/or its Medical Reimbursement Account); and payments to a private reimbursement account (e.g., an HRA or flexible spending account), provided the employee receives quarterly notice of the deposits and the funds are made available to the employee for at least 24 months.

For additional information, please contact your Burnham Benefits Consultant or Burnham Benefits at 949-833-2983 or [inquiries@burnhambenefits.com](mailto:inquiries@burnhambenefits.com).