



HEFFERNAN INSURANCE BROKERS

A Member of the Heffernan Group

DATE: January 23, 2009
TO: Our Valued Client Partners & Friends
FROM: HIB Account Team
RE: LEGISLATIVE UPDATE 2009-01
Healthy San Francisco Update

We are pleased to bring you our **Legislative Update 2009-01: Healthy San Francisco Update**. This Memorandum is following our HR Alert distributed earlier this month. It addresses the updates to the Health Care Security Ordinance of the City and County of San Francisco which was implemented last year.

We hope you find this informative, and please, and as usual, if you have any questions, contact your HIB Account Team for assistance.

HEALTHY SAN FRANCISCO UPDATE

2008 ANNUAL REPORTING FORM DUE APRIL 30, 2009

As you know, the Health Care Security Ordinance (Healthy San Francisco) requires for-profit employers with 20 or more employees (and nonprofits with 50 or more employees) to spend a minimum amount on health care for covered employees and to report on these expenditures annually. On January 15, 2009, San Francisco's Office of Labor Standards Enforcement (OLSE) released an updated Annual Reporting Form (ARF) to be completed by covered employers by April 30, 2009. To obtain a copy, click:

- <http://www.sfgov.org/site/uploadedfiles/olse/hcso/city%20sf%20labor%20hcso%202008%20fillable.pdf>
- <http://www.sfgov.org/site/uploadedfiles/olse/hcso/Annual%20Reporting%20Form%20Instructions.pdf>

The ARF is also available at our website: <http://www.abferisa.com>

Covered employers have the choice of completing the online PDF (see above) or the ARF mailed to them by OLSE. The online ARF must include the employer's Business Account Number, Ownership Name, and Mailing Address or face possible penalties and other corrective action.

ELIGIBLE EMPLOYEES CHANGE

As of January 1, 2009, employees need only to work 8 hours per week in San Francisco to be eligible for Healthy San Francisco benefits upon completion of 90 calendar days of employment.

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EMPLOYER EXPENDITURE RATE CHANGES

Beginning January 1, 2009, the health care expenditure rate for employers with 20 to 99 employees is \$1.23/hour; for employers with 100 or more employees, the rate is \$1.85/hour. Employers should begin using the 2009 rate to calculate the minimum expenditure for the first quarter of 2009 (which would include hours paid from January 1, 2009 through March 31, 2009).

Business Size	April 1, 2008	January 1, 2009
Large (100+ employees)	\$1.76/hour	\$1.85/hour
Medium (20-99 employees)	\$1.17/hour	\$1.23/hour
Small (1-19 employees)	Not covered	Not covered

ANNUAL SALARY EXEMPTION CHANGE

Pursuant to Regulation 3.2(A)(1), an employee who is a manager, supervisor, or confidential employee and who earns at or above an annual salary limit is exempt from coverage under the Healthy San Francisco. OLSE has increased the annual salary exemption for 2009 to \$80,397 or \$38.65/hour from \$76,851 for 2008. Please review Regulation 3.2(A)(1) (see Page 8) for a detailed definition of a manager, supervisor, or confidential employee.

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