



**MCO & HCAO  
for  
SFO Retail and Food Concessionaires  
Effective 7/1/21**



**Office of Labor Standards Enforcement**

# Minimum Compensation Ordinance (MCO)

## **Covered Employer**

- 5+ workers (permanent, temporary, etc.) with a City contract (SFO lease is a contract)
- Subtenants need to comply

## **Covered Employee/Worker**

- Anyone working for a covered employer on a City contract
- SFO lease is a contract, therefore ANYONE working at SFO
- Worker/Employee is anyone – doesn't matter if full-time, part-time, contract, casual, etc.



# MCO = Wages + PTO



MCO is not paying the SF  
Minimum Wage!



# MCO Wage Rate

The minimum hourly compensation rate:

*For Profit Rate is \$18.55 per hour, effective 7/1/2021*

- Annual increases occur every July 1



Office of Labor Standards Enforcement



# PTO and UTO Requirements

## Paid Time Off (PTO)

- accrual rate is 0.04615 hours of paid time off (~12 days for 40 hour a week employees)
- PTO is the property of the worker – Needs to be paid out upon termination
- No waiting period
- PTO violations are the most common violations for the MCO

## Unpaid Time Off (UTO)

- accrual rate is 0.03846 (~10 days for full-time 40 hour a week employees)
- not applicable for temporary or on-call employees

## MCO Rules and Regulations for more details

<https://sfgov.org/olse/sites/default/files/Final%20OLSE%20MCO%202020%20Rules%20-%20Posted%20March%2003.02.2020.pdf>



# HCAO

## Covered Employer:

- Have 20 workers anywhere in the world
- Has a City Contract (SFO Lease)

## Covered Employee:

- Anyone who works at least 20 hours a week or more on a City Contract for services.

## Keep in Mind:

- Work hours that fluctuate from week to week are Covered Employees if the average number of hours per week during applicable month is 20 hours or more.



HCAO Overview Video: [tinyurl.com.sfhcao](https://tinyurl.com/sfhcao)



# HCAO Options

Two (2) Options available at SFO

- Employer chooses which option(s)



# HCAO Requirements 1/2

## Option 1

- Offer each covered employee a compliant health plan at no charge to the employee - no later than the first of the month after 30 days.
- A compliant health plan meets all of the HCAO Minimum Standards:  
<https://sfgov.org/olse/sites/default/files/Document/HCAO%20MCO%20Documents/HCAO%20Standards%20CA%20Bench%20and%20Guide%202022.pdf>
- Health plan compliance review and answers to HCAO Minimum Standards questions contact Patrick Chang, Department of Public Health, [patrick.chang@sfdph.org](mailto:patrick.chang@sfdph.org) or (415) 554-2925



**AT NO PREMIUM  
CHARGE (DEDUCTION)**





# HCAO Requirements – 2/2

## *Option 2*

Pay \$5.85 per employee per hour to SF General Hospital, capped at \$234 per week

- Rate adjusted every July 1
- Fee goes to SF General Hospital – not a benefit or \$ for worker (this is NOT Healthy San Francisco)
- Payment form on our website ([www.sfgov.org/olse/hcao](http://www.sfgov.org/olse/hcao)) for Employer's Section



# Other Compliance Requirements

## Posters and Forms for MCO and HCAO

- Have current posters on wall or other place for employees to read and review
- Know Your Rights Forms – Must have all employees read and sign forms on an annual basis.



# Collective Bargaining Agreements

- If your company has a Collective Bargaining Agreement (CBA), you still need to comply with the MCO and HCAO.
- If there is a waiver in the CBA for MCO and/or HCAO, then you may not have to comply.
- Review the CBA and/or contact OLSE guidance.



# Other Resources Available

- MCO and HCAO Webinars, Rules and Regulations, FAQs, etc.
- All posters, forms, more information on our websites
- OLSE Website: [www.sfgov.org/olse](http://www.sfgov.org/olse)
- MCO Webpage: <https://sfgov.org/olse/minimum-compensation-ordinance-mco>
- HCAO Webpage: <https://sfgov.org/olse/health-care-accountability-ordinance-hcao>
- MCO & HCAO Packet for SFO Concessionaries

<https://sfgov.org/olse/sites/default/files/Document/HCAO%20MCO%20Documents/SFO%20San%20Francisco%20Labor%20Laws%20for%20SFO%20Concessions%20Effective%20July%201%2C%202021.pdf>



# Sign Up for Email Updates

<https://sfgov.org/olse/email-sign-hcao-mco>



# Contact OLSE

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