

**BEFORE YOU BEGIN**

- **Reporting Deadline:** Covered employers must submit the 2011 ARF by April 30, 2012. The November 2011 Amendment to the Health Care Security Ordinance (HCSO) **requires an increased penalty of \$500 per quarter for failing to submit the ARF.**
- You are not covered by the HCSO if:
  - You are a private employer and you employed fewer than 20 persons (including those employed outside of San Francisco) in each of the four calendar quarters of 2011; or
  - You are a non-profit corporation and you employed fewer than 50 persons (including those employed outside of the City) in each of the four calendar quarters of 2011; or
  - You had no employees in San Francisco during 2011.

If you are not covered by the HCSO, you should not submit the 2011 ARF.

- The instructions below guide you through each question, but note that questions A through E must be answered *four times each*, once for each calendar quarter of 2011.
- “Persons” who worked for you throughout the year should be counted in each quarter. Also, the same “persons” may be counted in response to questions C, D and E. (For example, if you paid health insurance premiums and paid into Healthy San Francisco for a particular employee, the employee would be counted in response to questions C and D).
- Enter all dollar amounts in *whole dollars*; do not include cents.
- Please fill out the form completely. All numeric fields are required. Please enter zeroes where appropriate.
- Please complete and submit the form on our website at [www.sfgov.org/olse/hcso](http://www.sfgov.org/olse/hcso). If you cannot access the online form, please call (415) 554-7892 to request a paper copy of the form.

**INSTRUCTIONS**

**Business Certificate Number (BCN), Name, and Mailing Address**

Please enter your six-digit BCN. The correct BCN is listed on the business registration certificate issued by the Treasurer & Tax Collector. Your BCN can also be found at the top of the ARF notification letter sent to your business in the mail. If you do not know your BCN, please contact Taxpayer Assistance at (415) 554-4400.

**For Nonprofit Organizations and For Businesses in the Same “Control Group”**

Please select the appropriate circle if you are submitting this form on behalf of a nonprofit organization or on behalf of several entities in the same “control group” (in which case you should submit just one ARF on behalf of all the “control group” entities).

**A. How many persons worked for your business in each quarter of 2011?**

Count all persons who performed work for your business regardless of whether they worked inside or outside of San Francisco.

“Persons” shall include all employees, regardless of their status or classification as seasonal, permanent or temporary, managers, full-time or part-time, contracted (whether employed directly by the employer or through a temporary staffing agency, leasing company, professional employer organization, or other entity) or commissioned.

If the number of persons who performed work for your business *fluctuated* during a quarter, answer this question based on the average number of persons who performed work each week.

**B. How many of these persons were entitled to health care expenditures (under the HCSO) in each quarter of 2011?**

Include those persons who were “covered employees” under the HCSO. Covered employees are those who:

- Qualified as employees entitled to payment of the San Francisco minimum wage (pursuant to the Minimum Wage Ordinance, Chapter 12R of the San Francisco Administrative Code);
- Were employed by your business for 90 calendar days after his or her first day of work (including any period of leave to which an employee is legally entitled); and
- Regularly performed at least 8 hours of work per week for your business within the geographic boundaries of San Francisco. For an employee without a regular schedule, you may average his or her hours over the 13 weeks in the quarter.

Covered employees may include persons for whom you provided health insurance, paid into the Healthy San Francisco program, or contributed to a health reimbursement account.

Do not include your employees who met any of the following exemption criteria:

- Persons who were managerial, supervisory, or confidential employees and earned at least \$81,450.00 in 2011 (or \$39.16 hourly);
- Persons who were eligible to receive Medicare coverage;
- Persons who were eligible for TRICARE/CHAMPUS (the federal health care program for active duty and retired members of the uniformed services, their families, and survivors);
- Persons who were “covered employees” under the San Francisco Health Care Accountability Ordinance (HCAO), which applies only to City Contractors (see Section 12Q of the San Francisco Administrative Code for more details about HCAO coverage);
- Persons who were employed by a nonprofit corporation for up to one year as trainees in a bona fide training program consistent with federal law; or
- Persons who voluntarily signed a revocable HCSO waiver form, which indicated they were receiving health care benefits through another employer (either as an employee or by virtue of being the spouse, domestic partner, or child of another person). The form is effective for one year from the date it is signed, and is available at the HCSO website.

**C. For the persons listed in Row B, indicate 1) the total number for whom you paid health insurance premiums and 2) the total dollar amount of these premiums, per quarter.**

For “Number of Persons,” include any persons:

- For whom you paid a health insurance carrier to provide group coverage (medical, vision and/or dental);
- For whom you made contributions to a Taft-Hartley plan pursuant to a collective bargaining agreement or union contract; or
- Who were covered under your self-insured plan. A “self-insured” or “self-funded, group health plan” is one in which the employer assumes the financial risk for providing health care benefits to its employees.

For “Dollar Amount Spent,” do not count 1) health care contributions or expenditures made by employees, or 2) expenditures for life insurance, workers’ compensation, or disability insurance.

Tip: Employers with self-insured plans may calculate these expenditures using either the COBRA equivalent rate for the 2010 plan year (minus any administrative fees) or actual expenditure amounts.

**D. For the persons listed in Row B, indicate 1) the total number for whom you paid into Healthy San Francisco (HSF) and 2) the total dollar amount of these payments, per quarter.**

If you contributed to Healthy San Francisco (also known as San Francisco’s “City Option”) for one or more of your employees in 2011, refer to the “Employee Rosters” you submitted to HSF for the four calendar quarters of 2011. You can also access this information by logging into your HSF account via the employer login page at <https://employerportal.healthysanfrancisco.org/>.

**E. For the persons listed in Row B, indicate 1) the total number for whom you had a reimbursement plan, 2) the total dollar amount *allocated* to the plan, and 3) the total dollar amount *reimbursed* under the plan, per quarter.**

If you contributed to a reimbursement plan for any of the employees listed in Row B, please indicate the type of reimbursement plan(s) you offered from among the following options:

- **3rd Party Administered HRA (Health Reimbursement Arrangement):** A tax-exempt health reimbursement arrangement administered by an independent third party administrator (TPA). These plans do not require an employee contribution or participation in a high deductible health plan.
- **Self-administered HRA (Health Reimbursement Arrangement):** A health reimbursement arrangement administered by the employer without the assistance of a third-party administrator.
- **HSA / MSA (Health Savings Account / Medical Savings Account):** A tax-exempt account to pay or reimburse medical expenses. An employee must be covered under a high deductible health plan (HDHP) to have an HSA or MSA.

## Instructions for Completing the 2011 HCSO Annual Reporting Form (ARF) - Page 4 of 4

- **FSA (Flexible Spending Arrangement):** An account that allows employees to use payroll deductions to save pre-tax income for health care expenditures.  
*Note: Employers were permitted to contribute to FSAs to meet their required minimum Health Care Expenditure for 2011. However, as a result of the November 2011 Amendment to the Ordinance, contributions to these types of plans generally do not meet the requirements of minimum Health Care Expenditures for 2012. See OLSE's new Frequently Asked Questions at [www.sfgov.org/olse/hcso](http://www.sfgov.org/olse/hcso) for more information.*

For “**Dollar Amount Allocated,**” indicate the amount of money that was made available and clearly communicated to the persons for whom you had a reimbursement plan. This is the maximum amount or cap made available for reimbursement. **Do not count any money contributed by employees.** If the reimbursement plan did not make a specific amount of money available to employees, indicate “0” in the space provided.

For “**Dollar Amount Reimbursed,**” indicate the amount of money that was actually reimbursed to the persons for whom you had a reimbursement plan or paid directly to a health care provider as reimbursement for services rendered.

If you contribute to a Health Savings Account (HSA) that is the property of an employee and that is managed by the employee, you may report the full amount allocated to that account as a “Dollar Amount Reimbursed.”

Below the quarterly expenditure report, select “Yes” if the reimbursement plan you offered reimbursed employees for all eligible medical expenses specified in IRS Code 213(d). The IRS provides a helpful description of eligible expenses in IRS Publication 502, available at [www.irs.gov/pub/irs-pdf/p502.pdf](http://www.irs.gov/pub/irs-pdf/p502.pdf).

If your plan restricted the types of eligible medical expenses for which your employees could receive reimbursements, select “No,” and report which types of expenses were restricted. If your plan restricted a type of expense not listed, please select “Other” and describe the restrictions.

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| <b>F. Did you impose a surcharge on your customers at any time in 2011 to cover, in whole or in part, the costs of the health care requirement under this Ordinance?</b> |
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If you added a surcharge to your customers’ bills that you described as specifically intended for employees’ health care benefits (such as a “Healthy San Francisco surcharge” “or an “employee health care surcharge” on a restaurant check), select “Yes,” and report the full amount collected through the surcharge.

If you added a surcharge to your customers’ bills that covered health care costs in addition to other costs, select “Yes,” and report only the portion of surcharge that was collected for health care costs.

*This notice is intended to provide general information and does not establish policy or offer legal advice regarding the HCSO, Chapter 14 of the San Francisco Administrative Code.*

*If you have any questions about your obligations under the ordinance, please visit [www.sfgov.org/olse/hcso](http://www.sfgov.org/olse/hcso), call (415) 554-7892, or email [HCSO@sfgov.org](mailto:HCSO@sfgov.org).*