

# San Francisco Labor Laws for City Contractors

Effective July 1, 2024

(Revised: December 2024)

## Minimum Compensation Ordinance (MCO)

### Wages and Paid Time Off (PTO)

*For a company that has 5 employees or more, anywhere in the world. Includes subcontractors.*

Any employee who works on a City contract for services:

- For-profit rate is \$20.96/hour as of 7/1/24
- Non-profit rate is \$20.25/hour as of 7/1/24
- Public Entities rate is \$21.50/hour as of 7/1/24; \$22.00/hour as of 1/1/25
- 0.04615 hours of PTO per hour worked (can be used as vacation or sick leave, and is vested and cashed out at termination)
- 0.03846 hours of Unpaid Time Off per hour worked – allowed without consequence
- Employee must sign a “Know Your Rights” form
- Posting Requirement



**Contact the MCO unit:**

Email: [mco@sfgov.org](mailto:mco@sfgov.org)

Phone: (415) 554-7903

Website: <https://www.sf.gov/information/minimum-compensation-ordinance>

## Health Care Accountability Ordinance (HCAO)

*For a company that has > 20 workers (for profit)/ > 50 workers (nonprofit), anywhere in the world – Includes subcontractors.*

Any employee who works at least 20 hours a week on a City contract for services:

- Either:
  - A. Offer a compliant health plan with no premium charge to the employee. See Minimum Standards OR
  - B. Pay \$6.75\* per hour to SF General Hospital (not Healthy San Francisco and not a benefit to employees) OR
  - C. Pay \$6.75\* per hour to covered employee. N/A to SFO and San Bruno Jail locations. Employee must live outside of SF and work on a City contract outside of SF. See HCAO for more details.
- Employee must sign a “Know Your Rights” form
- Posting Requirement

**\*Rate changes every July 1<sup>st</sup>**



**Contact the HCAO unit:**

Email: [hcao@sfgov.org](mailto:hcao@sfgov.org)

Phone: (415) 554-7903

Website: <https://www.sf.gov/information/health-care-accountability-ordinance>

# San Francisco Labor Laws for City Contractors

Effective July 1, 2024

(Revised: December 2024)

## Health Care Security Ordinance (HCSO)

*Any employee who works **an average of 8 hours a week in the City of San Francisco** (whether or not on a City contract) and is **not covered by the HCAO**:*

- As of 1/1/2025, spend \$2.56\* or \$3.85\* (depending on your size) per hour on their health care (e.g. health insurance, or a contribution to SF City Option Program)
- Employees can only waive their rights:
  - o By signing an official HCSO voluntary waiver, and
  - o If they show they have insurance through another employer
- Posting Requirement

\* Rate changes every January 1<sup>st</sup>



Contact the HCSO unit:

Email: [hcsosf@sfgov.org](mailto:hcsosf@sfgov.org)

Phone: (415) 554-7892

Website: <https://www.sf.gov/information/health-care-security-ordinance>

## Fair Chance Ordinance (FCO)

### Hiring Process

- You may not ask about criminal background in a job application or at the start of the hiring process
- Job announcements must include language specified by the law
- You may inquire into criminal background after an interview or once a conditional offer has been made
- If you intend to consider criminal background in your hiring decision, you must give the applicant the opportunity to provide evidence of rehabilitation or mitigating circumstances
- Posting Requirement



Contact the FCO unit:

Email: [fco@sfgov.org](mailto:fco@sfgov.org)

Phone: (415) 554-5192

Website: <https://www.sf.gov/information/fair-chance-ordinance>



## Citywide Project Labor Agreement (PLA) (SF Public Works and SF Recreation and Parks Only)

**Background:** On February 18, 2019, the San Francisco Board of Supervisors passed the Citywide Project Labor Agreement Ordinance ([Section 6.27 of the SF Administrative Code](#)). This Ordinance directed the City to negotiate a Project Labor Agreement (PLA) with the San Francisco Building Construction Trades Council.

**Effective Date:** July 14, 2020

### **COVERED PROJECTS:**

- (1) Funded wholly or in part by a general obligation bond or a revenue bond with an estimated project value which exceeds the following threshold amounts:
  - \$5 Million from 7/14/2020 – 7/13/2021
  - \$3 Million from 7/14/2021 – 7/13/2022
  - \$1 Million from 7/14/2022 – 7/13/2040
- (2) Funded by a source other than a general obligation bond or a revenue bond with an estimated project value which exceeds \$10 million

**COVERED CONTRACTORS** are required to:

1. Utilize trade appropriate union hiring halls to hire workers
2. Pay fringe benefit contributions on behalf of workers directly to appropriate Union Trust Fund programs
3. Complete and sign a *Letter of Assent, Craft Assignment Form or Statement of Exemptions (for LBE)*
4. Attend a mandatory pre-job conference

### **CERTIFIED LOCAL BUSINESS ENTERPRISE (LBE) EXEMPTION:**

1. Exempt until payments of \$5 million are issued on covered projects
2. The LBE contractor has 30 days to sign a *Letter of Assent* and must comply with the PLA across all current, ongoing, and subsequent covered projects when the LBE reaches \$5M threshold on covered projects
3. LBEs wishing to be exempt from the terms and conditions of the PLA must complete and sign a *Statement of Exemption* form prior to project participation and payroll reporting.



### **FOR MORE INFORMATION**

Visit our website, call our office, or email us.

PLA Hotline: (415) 554-6573 | Email: [prevailingwage@sfgov.org](mailto:prevailingwage@sfgov.org)

Website: <https://www.sf.gov/information/citywide-project-labor-agreement>