Healthy Airport Ordinance (HAO)
San Francisco Labor and Employment Code, Article 121

Administrative Guidance

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Advisory: If any provisions of the Administrative Guidance conflict with the HAO, the HAO provisions shall govern and must be followed.

Section A. Overview

1: What is the Healthy Airport Ordinance?

In 2020, San Francisco enacted the Healthy Airport Ordinance (Ordinance No. 235-20, "HAO"), which amended the Health Care Accountability Ordinance ("HCAO") to require specific health spending for employees covered by the San Francisco International Airport's ("Airport") Quality Standards Program ("QSP"). The HAO was amended in November 2025 (Ordinance No. 234-25) and again on October 16, 2026 (Ordinance No. 213-26) ("2026 Amendment"). The 2026 Amendment becomes operative on January 1, 2027.

2: What does the HAO require?

Effective January 1, 2027, a Covered Employer must:

- Make Irrevocable Health Care Expenditures to or on behalf of each San Francisco Airport Service Employee for each hour worked (capped at 40 hours per week) at a rate equal to the rate set forth in San Francisco Labor & Employment Code 121.3 subsection (a)(2) ("HCAO Hourly Rate") plus $2.00 per hour.

  Example: effective January 1, 2027, the Irrevocable Health Care Expenditure rate will be $10.00 per hour because the HCAO Hourly Rate will be $8.00, plus $2.00 equals $10.00 per hour.

- An Employer will be deemed compliant with the requirement to make Irrevocable Health Care Expenditures if they offer a San Francisco Airport Service Employee at least one Cost-Efficient Health Insurance Plan.

A Covered Employer must also:

- Maintain records;
- Post the HAO Official Notice at each jobsite; and
- Collect HAO Know Your Rights forms from San Francisco Airport Service Employees annually.

Section B. Covered Employers and Employees

1: Who is a Covered Employer?

All employers that employ workers covered by the QSP are considered Covered Employers under the HAO. To confirm whether your organization is a QSP employer, please contact:

SFO's Office of Social Responsibility and Community Sustainability
Phone: (650) 821-1003
Email: qsp@flysfo.com

https://www.flysfo.com/about/airport-operations/policies-regulations/rules-and-regulations

2: Are subcontractors or subtenants also Covered Employers?

Yes. The HAO applies to a Covered Employer's subcontractors and subtenants. A Covered Employer (contractor) shall be responsible for ensuring the compliance of its subcontractors and subtenants. If a subcontractor or subtenant fails to comply, the City may pursue the remedies provided in the Ordinance against the contractor based on the subcontractor or subtenant's failure to comply, provided that the contractor has first been given notice of the violation and an opportunity to cure it.

3: Who is a San Francisco Airport Service Employee?

An employee is covered by the HAO if they perform work in a QSP capacity for a QSP employer and are expected to work at least 130 hours within the current quarter of the year.

QSP-covered employees include but are not limited to positions that:

a. require an Airport badge with Airfield Operations Area ("AOA") access and involve work in and around the AOA in the performance of their duties; or
b. involve responsibility in passenger and facility security and/or safety. This may include but is not limited to checkpoint screening, passenger check-in, skycap check-in, baggage handling systems and handling services, passenger boarding bridges, ground service equipment, AOA perimeter control, ramp handling functions (*i.e.*, aircraft cleaning, fueling, baggage/cargo handling), and custodial services. It may also include employees located on Airport property and the surrounding areas who are directly involved in the preparation and/or transportation of food and beverage products delivered directly onto aircraft on the AOA.

San Francisco International Airport*, Quality Standards Program: Safety and Security* (March 1, 2016), p. 4, accessible at https://www.flysfo.com/about/airport-operations/policies-regulations/rules-and-regulations

5: For purposes of coverage, what does "expected to work" mean?

A San Francisco Airport Service Employee is expected to work their scheduled hours or the hours the Employer has otherwise placed the employee on notice that they will likely work. Absent clear evidence related to a change in expected schedules, OLSE will presume that actual hours worked in a quarter are the same as the expected hours worked.

6: Do San Francisco Airport Service Employees need to work a minimum number of hours before becoming eligible for the HAO?

Eligibility is based on the number of hours an employee is expected to work, not a minimum number of hours worked. For the quarter in which a San Francisco Airport Service Employee is hired, the expected hours are pro-rated, so that the employee shall be

deemed covered if they are expected to work an average of 10 hours or more per week during the portion of the quarter following their start date. For example, if an employee starts on February 1, 2027, the employer should look at whether they are expected to work an average of 10 or more hours per week from February 1 through March 31, 2027, when the quarter ends. Thereafter, the employee must be expected to work at least 130 hours within the quarter to be covered by the HAO.

7: Are employees who are active but not working due to a protected leave—such as Family Medical Leave (FMLA) or Military Leave—covered under the HAO?

An employee is covered under the HAO only when they are expected to perform work. While an employee is on protected leave, they are not expected to work and therefore not covered under the HAO, and the employer is not required to make Irrevocable health expenditures for that period pursuant to the HAO. However, employers must still comply with all applicable requirements of FMLA, Uniformed Services Employment and Reemployment Rights Act (USERRA), or any other legally protected leave which may require maintenance of employee compensation and benefits.

Section C. Irrevocable Health Care Expenditures

1: What is an Irrevocable Health Care Expenditure ("IHCE")?

An IHCE is any amount paid by a Covered Employer to its San Francisco Airport Service Employee or to a third party on behalf of its San Francisco Airport Service Employee for the purpose of providing or reimbursing the cost of Health Care Services (defined in Question 4, below) for the San Francisco Airport Service Employee. It can also mean an amount paid by a Covered Employer to the City Option or another irrevocable medical reimbursement account.

2: What does "Irrevocable" mean in the context of Health Care Expenditure?

"Irrevocable" means no amount can be returned, recovered, or reclaimed by the Covered Employer.

3: What are examples of qualifying Irrevocable Health Care Expenditures?

Qualifying IHCEs may include, but are not limited to:

- Payments to a third party to provide Health Care Services for the San Francisco Airport Service Employee, such as payments for medical, dental, or vision insurance, or payments made directly to a health care provider.
- Payments made on behalf of the San Francisco Airport Service Employee to the SF City Option.
- Contributions made on behalf of the San Francisco Airport Service Employee to an irrevocable reimbursement program.

- Costs incurred by the employer in the direct delivery of Health Care Services to the San Francisco Airport Service Employee.

The following do not qualify as IHCEs:

- Payments made directly or indirectly for workers' compensation or Medicare benefits.
- Amounts deducted from an San Francisco Airport Service Employee's pay.
- Amounts otherwise required to be paid by Federal, State, or local law.
- Amounts paid to a San Francisco Airport Service Employee not related to a documented expenditure for Health Care Services.

4: What is a Health Care Service?

Health Care Service means medical care for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body. This includes: medical, dental and/or vision coverage; nonprescription drugs, including but not limited to antacids, allergy medicines, pain relievers, and cold medicines; doctor's fees; and necessary hospital services not paid for by insurance. Qualifying medical expenses include dental treatments and fees paid to dentists for x-rays, fillings, braces, extractions, dentures, and the like; eyeglasses and contact lenses needed for medical reasons; and fees for eye examinations and eye surgery to treat defective vision.

Section D. Offering a Cost-Efficient Health Insurance Plan

1: What is a qualifying "Cost-Efficient Health Insurance Plan"?

A Cost-Efficient Health Insurance Plan ("CEHIP") means a health plan that:

a. Is offered to a San Francisco Airport Service Employee and their Health Care Dependents;
b. Provides coverage for each of the services described in the California Essential Health Benefit Benchmark Plan;
c. Provides coverage with benefits that are actuarially equivalent to at least 84% of the full actuarial value of the benefits provided under the plan;
d. Is offered at no charge for the San Francisco Airport Service Employee for individual-only coverage; and
e. Caps the Cost share for individual-plus-dependent-care coverage at 15% of the plan's premium costs.

2: Who counts as a Health Care Dependent?

Health Care Dependents are a San Francisco Airport Service Employee's:

1. spouse or registered domestic partner;
2. child(ren) (legally adopted, recognized natural child, stepchild, foster child, or minor

legal ward who is eligible for coverage in accordance with 42 U.S.C. §300gg-14(a)); and 3. any other dependent entitled to be covered under employer provided full-family health care plans under the federal law or laws of the State of California.

3: What if an employee does not want the Cost-Efficient Health Insurance Plan?

A San Francisco Airport Service Employee may decline the offer of a qualifying CEHIP, and thereby waive their right to health benefits, but only by completing the official OLSE HAO Waiver form. *See Section H, below*.

4: If an employee waives the Cost-Efficient Health Insurance Plan, is the employer required to do anything else?

Once a Covered Employer collects an HAO waiver form, they are not required to provide any other health benefits to the San Francisco Airport Service Employee for the duration of the waiver, which must be renewed annually.

5: If a Covered Employer previously complied with the HAO by offering a family health plan (previously referred to as Option 1), are they required to do anything else?

Health insurance plans that previously met the requirements for compliance with the HAO will also comply with the requirements for a CEHIP if all required features remain the same.

6: Is an employer allowed to offer health insurance plans that do not meet the definition of a Cost-Efficient Health Insurance Plan?

Yes, but if an employer does not also offer a Cost-Efficient Health Insurance Plan, they must meet the Irrevocable Health Care Expenditure requirements.

If the employer only offers health plans that are not CEHIPs, the employer may count the employer's contribution to the health plan premium amount toward the applicable minimum Irrevocable Health Care Expenditure for any San Francisco Airport Service Employee who is in enrolled in that health plan, or who voluntarily waives an offered plan. The employer remains responsible for making Irrevocable Health Care Expenditures to cover any remaining amount not covered by the premiums paid by an employer.

The employer must decide how to make up the difference. Options include, but are not limited to, offering a more comprehensive health plan, increasing the employer's share of premium contributions, supplementing the existing health plan with a medical reimbursement account, contributing to an irrevocable medical reimbursement account, or using another type of qualifying Health Care Expenditure to cover the shortfall.

For example, if a San Francisco Airport Service Employee is entitled to $400 per week in

health expenditures and the employer provides a non-CEHIP costing the employer $300 per week, the employer must still make an additional $100 in health expenditures to meet the full requirement.

7: Can a Covered Employer offer a health plan and require an employee to make a premium payment or make a deduction from an employee's paycheck?

If a Covered Employer requires a San Francisco Airport Service Employee to make a premium payment for individual-only coverage, or a premium payment of more than 15% of the premium cost for dependent coverage, then the plan does not qualify as a CEHIP. As described in Question 6, above, if the Covered Employer offers only non-CEHIP plans, it must meet the Irrevocable Health Care Expenditure requirement for its San Francisco Airport Service Employees.

For non-CEHIP plans, a Covered Employer may require a premium payment or a payroll deduction, but must still ensure that it meets the minimum spending requirement under the HAO. The deduction taken from the employee's paycheck cannot be used to meet the Employer's required minimum expenditure.

Section E. Calculating and Making Health Care Expenditures

1: What is the Health Care Expenditure rate?

Unless an employer chooses to offer a CEHIP, the employer must make Irrevocable Health Care Expenditures to or on behalf of each San Francisco Airport Service Employee for each hour worked (capped at 40 hours per week) at the current Health Care Expenditure Rate. The rate is the HCAO hourly rate plus $2.00.

Beginning July 1, 2026, the HCAO hourly rate is $8.00 per hour, so the Health Care Expenditure rate as of January 1, 2027 will be $10.00 per hour ($8.00 (HCAO Hourly Rate) plus $2.00 (amount specified by HAO)). The maximum required Irrevocable Health Care Expenditure would be $400 per week ($10.00 multiplied by 40 hours).

2: When does the Health Care Expenditure rate increase or change?

The Health Care Expenditure rate is subject to increase every July 1 based on changes since the prior year in the Bureau of Labor Statistics Consumer Price Index for Medical Care in the San Francisco Bay Area or average Health Maintenance Organization (HMO) premiums in California. Please be advised that all Covered Employers must meet the spending requirements in effect as of July 1. The plan start date does not define or lock-in the HAO expenditure rates.

3: How does a Covered Employer make Health Care Expenditures?

The employer determines how to make the required Health Care Expenditures, including but not limited to offering one or more health insurance plans (medical, dental, or vision);

contributing to a qualifying medical reimbursement account; reimbursing employees for qualifying medical expenses; or using a combination of these methods.

Health Care Expenditures are based on weekly hours worked and must be made in the quarter following the quarter in which the hours were worked.

4: Can a Covered Employer comply with the Health Care Expenditure requirement by increasing the employee's pay or salary by the required expenditure amount?

No. Increasing an employee's wages or salary does not qualify as a Health Care Expenditure and does not satisfy the employer spending requirement under the HAO.

5: Can a Covered Employer deduct the Health Care Expenditures from a San Francisco Airport Service Employee's wages?

No. Health Care Expenditures must be an irrevocable payment made solely by the employer on behalf of or to the employee. Deductions from an employee's wages—such as employee's contributions to a health savings account, flexible spending account, or the employee's share of health insurance premiums—do not qualify as a Health Care Expenditures and cannot be counted towards the employer's required expenditure.

6: Is there a cap on the benefits an employer can offer or provide?

No. The HAO does not prevent an employer from providing Irrevocable Health Care Expenditures that exceed the minimum rate set forth in the HAO.

7: If a Covered Employer hires a Third-Party Administrator (TPA) to perform accounting and calculations, will the employer be able to take credit against the HAO irrevocable spending requirement for any TPA costs, including if they provide a fully insured plan?

Yes, if an employer retains a Third-Party Administrator, fees a TPA charges for administration, such as calculations, may be credited toward the irrevocable expenditure requirement.

For example, if an employer contracts with a TPA to perform work at a fee rate of $20.00 Per Employee Per Month (PEPM), the employer may apply the $20.00 toward the spend requirement for each employee per month. However, because the HAO is a weekly requirement, employers will need to adjust or ensure the calculations are accurate. As a best practice, employers should clearly communicate the fee amounts that are being applied toward the health care expenditure requirement to prevent confusion or potential complaints.

8. Are San Francisco Airport Service Employees who are eligible for Medicare, Medi-Cal, or TRICARE (the health care program serving Uniformed Service members, retirees, and their families) still entitled for benefits under the HAO?

Yes, employees who are eligible for Medicare, Medi-Cal, or TRICARE are still entitled to HAO benefits, as long as they are expected to work the required minimum number of hours.

9. What should a Covered Employer do if a San Francisco Airport Service Employee stops working before the employer has made quarterly Health Care Expenditures?

Covered Employers must comply with the Health Care Expenditure requirement for all hours worked, even if the employment relationship is terminated before the end of the quarter. Covered Employers that have not yet made the quarterly Health Care Expenditure for a San Francisco Airport Service Employee may make the expenditure in the same manner as was done in the immediately preceding quarter. Where an employer purchases health insurance for its San Francisco Airport Service Employees, COBRA payments to continue health insurance coverage shall also qualify as valid Health Care Expenditures. The Covered Employer may also comply by making payments to the SF City Option, even if the employer previously complied with the employer spending requirement in some other manner.

10: Can the costs of a self-funded health plan be counted toward the Irrevocable Health Care Expenditure?

Yes. Similar to the employer's contribution to premium costs for a non-CEHIP health plan, the cost of providing a self-funded plan can be counted toward the Irrevocable Health Care Expenditure. The cost of the self-funded plan may include premiums and/or fees paid to a third-party administrator, claims paid out of pocket by the employer for the specific worker, and the actuarial value of the benefits offered as determined for setting rates for COBRA under federal law. For more information on self-funded plans, refer to HCSO Rules 5.9 and 5.10 pp. 18-19 (https://media.api.sf.gov/documents/280._HCSO_Rules_Final.pdf), and Admin Guidance Section D, No. 10.

11: If a Covered Employer makes payments to satisfy its obligations under the Employer Shared Responsibility provisions of the federal Affordable Care Act (ACA), do those payments also count toward the Employer Spending Requirement under the HAO?

The answer depends on whether the employer's payments also fall within the definition of Health Care Expenditures, which are amounts actually paid for Health Care Services for San Francisco Airport Service Employees or their spouses or dependents. For example, if the employer satisfies its ACA obligations by offering health insurance, the premiums it pays for those employees who enroll in the insurance program are Health Care Expenditures that count toward the Employer Spending Requirement.

On the other hand, if the employer satisfies its ACA obligations by paying additional taxes (sometimes referred to as "penalties"), those payments do not count toward the Employer Spending Requirement because they are not Health Care Expenditures.

Note that it is possible that the amount paid for Health Care Expenditures that satisfy the ACA may not *fully* satisfy the Employer Spending Requirement of the HAO. For example, if the amount actually spent on health insurance for a San Francisco Airport Service Employee to satisfy the ACA is less than the Required Expenditures under the HAO, the employer will have to make additional Health Care Expenditures to comply with the HAO.

Section F. Contributions to Accounts to Make Qualifying Irrevocable Health Care Expenditures

1: What types of accounts can a Covered Employer use to make Irrevocable Health Care Expenditures?

Contributions to a Health Savings Account (HSA), Medical Savings Account (MSA), Medical Reimbursement Account (MRA), or other irrevocable reimbursement account may qualify as IHCEs.

Employers must ensure that any account used meets the definition of an irrevocable reimbursement account—meaning that once the employer contributes funds, the employer cannot legally recover or reclaim the money. These accounts must be fully funded by the employer and must not involve any payroll deductions from the San Francisco Airport Service Employee.

2: Do contributions to a Flexible Spending Account qualify as a Health Care Expenditure?

Flexible Spending Accounts (FSAs) do not qualify as Health Care Expenditures under the HAO.

3: What is San Francisco's City Option ("City Option")?

San Francisco's City Option offers Medical Reimbursement Accounts. An Employer can comply with the Irrevocable Health Care Expenditure requirement under the HAO in full or in part by making contributions on behalf of its San Francisco Airport Service Employees into the City Option. Employees with City Option Medical Reimbursement Accounts can obtain reimbursements for a wide range of medical, dental, and vision expenses, including reimbursements of insurance premiums.

For more information on SF City Option:

- Visit the website: https://sfcityoption.org/sfmra/
- Employers may contact SF City Option Program Management at

employerservices@sfcityoption.org or (415) 615-4492.
- Employees may contact SF City Option at (866)697-6078 or info@sfcityoption.org

4: When are contributions to a Medical Reimbursement Account due?

Contributions to a City Option Medical Reimbursement Account must be made each quarter, within 30 days of the end of the preceding quarter. The first quarter runs from January 1 through March 31; the second quarter from April 1 through June 30; the third quarter from July 1 through September 30; and the fourth quarter from October 1 through December 31.

5: If a Covered Employer is making quarterly payments to the City Option or other irrevocable reimbursement program, how does it calculate the quarterly payment?

The payment for each San Francisco Airport Service Employee is determined quarterly by multiplying the total number of Hours Worked by the Employee in the quarter by the applicable Health Care Expenditure Rate. Please keep in mind that the HAO caps the number of qualifying hours worked per week at a maximum of 40 hours.

Section G. Collective Bargaining Agreements and Prevailing Wage

1: Are San Francisco Airport Service Employees covered under a collective bargaining agreement (CBA) exempt or otherwise excluded from HAO coverage?

No, there is no categorical or automatic exemption or exclusion from the HAO for San Francisco Airport Service Employees covered by a CBA. However, a CBA may waive the requirements of the HAO, provided that such waiver is explicitly set forth in the CBA in clear and unambiguous terms.

2: What if there is no explicit waiver and the Covered Employer is already paying health and welfare benefits pursuant to a Collective Bargaining Agreement?

If the CBA does not contain an explicit waiver of the HAO, the employer must ensure that it either offers a CEHIP, or that the employer's health and welfare benefit payments required under the agreement meet or exceed the expenditure required by the HAO. If the CBA-required payments fall short, the employer must satisfy the remaining expenditure using another method.

Note: Any portion of the health and welfare benefit payment that is for life insurance, death benefits, or disability payments does not count towards the employer's minimum expenditure, because such payments do not constitute Health Care Expenditures under the HAO.

3: Does the HAO apply to employees who are covered under Prevailing Wage laws?

No. Employees covered under Prevailing Wage laws must receive benefits consistent

with the Prevailing Wage requirements.

Section H. Health Plan Waiver

1: Can a San Francisco Airport Service Employee who is not covered by a CBA waiver or subject to Prevailing Wage, waive the HAO requirements?

San Francisco Airport Service Employees may only waive health plan benefits offered by their employer, not the HAO itself.

- If an employer complies with the HAO exclusively by contributing to a medical reimbursement account, a waiver is not available.
- If an employer complies with the HAO by offering a health plan and contributing to a medical reimbursement account, the waiver applies only to the health plan.

2: How does a San Francisco Airport Service Employee waive the Covered Employer's health plan offering?

The San Francisco Airport Service Employee must voluntarily and fully complete the OLSE Employee Voluntary Waiver Form, available at www.sf.gov/olse-hao (in English, Chinese, Filipino/Tagalog, Spanish, and Vietnamese).

3: What constitutes a valid waiver?

Waivers of health plans are valid only if all the following conditions are met:

- The waiver is voluntary, meaning the employee has not been pressured, threatened, or coerced by the employer;
- The employee fully completes the OLSE Employee Voluntary Waiver Form; and
- The employee provides proof of current alternate coverage for themselves and, if applicable, their Health Care Dependents.

Note: Waivers of CEHIPs are valid if they are voluntary and fully completed. Proof of alternate coverage is not required to waive a CEHIP. However, an employer may not induce a worker to waive an offer of a CEHIP through coercion, including by offering cash incentives for such a waiver.

The waiver form is invalid if it is incomplete. Other third-party vendor forms or health insurance carrier forms cannot be used in place of OLSE's Employee Voluntary Waiver Form.

4: How long is the waiver effective?

The waiver is valid for one year—either for the health plan year or until revoked by the employee, whichever occurs first. The waiver is effective from the date signed; retroactive waivers are not permitted.

5: Can a San Francisco Airport Service Employee revoke a waiver?

Yes. If outside the open enrollment period, revocations must be submitted in writing and may be made if there is a qualifying life event.

6: Is an electronic signature on a waiver acceptable?

Yes, if the official OLSE Employee Voluntary Waiver form is used, an electronic signature is acceptable if all of the following conditions are met:

a. The form is an exact replica of the OLSE's official Employee Voluntary Waiver Form;
b. The employee can view the entirety of the form at the same time as they sign it (i.e., the signature is not on a separate page from the form itself);
c. No language on the website, portal or other form of communication used by the employer suggests the employee is required to sign the form.
d. The employer retains a copy of the signed form for its records and also gives the employee a printed copy of the entire signed form.

7: If a San Francisco Airport Service Employee voluntarily waives the Cost-Efficient Health Insurance Plan and signs the official voluntary HAO waiver form, does the employer have to do anything else under the HAO with respect to that employee?

No. The employer has complied with the HAO for the year.

8: If a San Francisco Airport Service Employee signs a voluntary waiver form for a health plan that does not constitute a CEHIP, must the employer offer or provide other health benefits?

It depends. The employer may apply the cost it would have paid to provide the waived non-CEHIP plan, including employer contributions to premium costs, toward the minimum expenditure amount. If the cost to the employer of the waived health plan would have satisfied the minimum expenditure requirement, then nothing else is required of the employer. If the amount the employer would have paid is less than the required expenditure amount, then the employer would need to make up any remaining difference.

For example: When an employee works 40 hours per week, the employer's required weekly health care expenditure is $400 (40 hours per week x $10/hour). If the employer offered a non-CEHIP that costs the employer $300 per week and the employee waived the health plan, then the employer will need to make an Irrevocable Health Care Expenditure of $100 per week (e.g. City Option, MRA, etc).

9: Do Medicare, TRICARE, or Medi-Cal count as proof of alternate health care coverage?

Yes.

10: Is the Covered Employer eligible for credits if it exceeded the minimum Health Care Expenditure rate?

No. The Health Care Expenditure requirement applies on a per-employee basis. If the employer's premium payments for an individual employee exceed the employee's minimum expenditure requirement, the employer has met its obligations for that employee under the HAO. Any excess amount paid for one employee cannot be applied to offset expenditure shortfalls for other employees.

Section I. Employer Notice, Recordkeeping, and Reporting Responsibilities

1: What are a Covered Employer's Notice and Posting Requirements?

Every Covered Employer is required to:

- Provide new QSP employees with the Know Your Rights Form during the onboarding period;
- Provide existing QSP employees with the updated Know Your Rights Form annually; and
- Post the operative OLSE HAO Notice ("Poster") explaining the employer's HAO obligations at each workplace or jobsite.

The current Know Your Rights Forms and Poster are available at www.sf.gov/olse-hao. An employer must post the Poster in English, Spanish, Chinese, Filipino and Vietnamese, also available at www.sf.gov/olse-hao. Every Covered Employer must also translate and post the Poster in any other language spoken by at least five percent of the employees at the workplace or jobsite.

2: What are a Covered Employer's Recordkeeping Requirements?

For a period of three years from each San Francisco Airport Service Employee's last date of employment (including for current employees), Employers must keep the following records:

- Itemized pay statements (as required per California Labor Code §226), including (1) gross wages earned, (2) total hours worked (except if salaried), (3) the number of piece-rate units earned and any applicable piece rate if the employe is paid on a piece-rate basis, (4) all deductions, aggregated, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of their social security number (SSN) or an employee identification number of than the a SSN, (8) name and address of the legal entity that is the employer, (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate;
- the employee's address, telephone number and first day of work;
- records of Health Care Expenditures made, including calculations of HCEs required under the law for each San Francisco Airport Service Employee, and documentation

that such expenditure was made. For example, if contributions were made to SF City Option, an employer must retain copies of the Employee Health Care Payment confirmations provided to employees; and
- Waiver forms and, where applicable, proof of alternate health plan coverage.

3: What are the Annual Reporting Requirements under the HAO?

There are no Employer reporting requirements under the HAO.

Section J. Enforcement

1: What should an employee do if they believe their HAO rights have been violated?

If an employee believes their rights under the HAO have been violated, they should contact (415) 554-7903 or hcao@sfgov.org.

OLSE will keep the employee's name and identity confidential to the maximum extent permitted.

If OLSE determines the allegations of the complaint are sufficient, OLSE will proceed with an investigation. If the allegations are determined to be insufficient or unsubstantiated, OLSE will not move forward with an investigation.

2: What can a Covered Employer do if it believes that it is not in compliance with the HAO?

OLSE offers a Voluntary Compliance Audit Program (VCAP) for employers who wish to assess and correct their compliance status. VCAP is available to employers that are not currently under active investigation. Participating in the program allows employers to remedy issues while avoiding liquidated damages.

3: Can an Employer discipline an Employee who refuses to sign the HAO Waiver form or exercises their rights under the HAO?

No. The employer should ensure that no adverse action (such as discipline, discharge, demote, suspend, etc.) is taken against an employee for exercising their rights under this law or for refusing to sign a waiver. An employer's obligation to make a Health Care Expenditure for its San Francisco Airport Service Employee is independent of any other employer's obligations. Accordingly, it is illegal for an employer to fire an employee who chooses not to waive their right to the mandatory Health Care Expenditures, even if that employee is already receiving health insurance coverage from another employer.

4: What happens if OLSE determines that an employer violated the HAO?

OLSE may order employers who violate the HAO to take appropriate corrective actions, and make appropriate restitution to employees, including full payment of required Health

Care Expenditures that an employer failed to make. If prompt compliance is not achieved, OLSE may take enforcement actions necessary to secure compliance, including initiating a civil action, and requesting that City agencies or departments revoke or suspend any registration certificates, permits, or licenses held or sought by the employer or person until the violation is remedied.

Section K. Remedies

1: What are the potential remedies for a violation of the HAO?

In addition to any other rights available to the City under the terms of its agreements with covered employers and under applicable law, the City shall have the right, at OLSE's discretion, to:

- Charge simple annual interest of 10% on amount from the date payment was due.
- Set off all or any portion of the amount the City is required to pay to the Covered Employer against amounts due to a San Francisco Airport Service Employee.
- Terminate the contract or lease in whole or in part.
- Bar a Covered Employer from entering into future contracts or leases with the City for three years.
- Bring a civil action against the Covered Employer to pursue the remedies provided by the Ordinance and other applicable law.

In addition, OLSE may assess the following liquidated damages:

VIOLATION	LIQUIDATED DAMAGES
Failure to provide reports, failure to provide access to pertinent records, or any failure to cooperate with any audit, inspection or investigation conducted by the OLSE	Up to $1000 for each violation, pursuant to San Francisco Labor and Employment Code §121.6(5).
Failure to comply with the requirements of San Francisco Labor and Employment Code Article 121 by making payments as required by Section 121.3.	Up to $100 for each one-week pay period for each employee, pursuant to San Francisco Labor and Employment Code §121.6(4).