



INTEGRATION. ADMINISTRATION. ACCOUNTABILITY.

## **PAYROLL SYSTEMS LAUNCHES NEW SERVICES TO HELP SAN FRANCISCO COMPANIES COMPLY WITH PRICEY SFHCSO**

**Walnut Creek, CA, August 2, 2011:** Payroll Systems of Walnut Creek is excited to announce its new suite of services that are helping companies be strategic in how they comply with the expensive San Francisco Health Care Security Ordinance (SFHCSO), while saving thousands of dollars. Currently, San Francisco is the only city in California to mandate health care coverage compliance requiring small businesses to provide some form of health care coverage to their employees. The law requires businesses with 20 or more employees and non-profits with 50+ employees to comply. Three common options include: 1) Provide standard health insurance to employees; 2) Pay into Healthy-San Francisco—a sliding scale public program; or 3) Provide a Health Reimbursement Arrangement (HRA) to reimburse employees for healthcare costs incurred. According to the city's Office of Labor Standards Enforcement, in 2010, ninety percent of employers offer insurance plans, while three percent pay into Healthy SF, and only seven percent offer a HRA program. Nonetheless, small businesses are finding ways to stay afloat while remaining compliant with the expensive regulation.

For businesses struggling to cover the high cost of health insurance, Payroll Systems is now offering expert help to companies navigating the confusing and expensive challenge of compliance. Last year \$67 million dollars funded HRA programs. Employees utilized only 24% leaving \$50 million unspent. Currently, that money can be reinvested into company expansion programs, training, new technologies, research and development or various other options to help an organization remain competitive in today's market. San Francisco City Supervisor David Campos, was determined to overturn this beneficial program option and require monies to be irrevocably held and rolled over to the following year, rather than allowing businesses to use the monies for working capital. Although his intention may be considered employee-friendly, it placed a financial squeeze on the small to medium sized businesses that provide the jobs initially. Many business owners were making plans to close if Campos was successful. Under tremendous pressure from the business community and due to lack of support from other City Supervisors, Campos tabled his proposal and is considering a newly written version.

"Companies don't realize that if they can't yet afford insurance, an HRA allows them to meet the requirements, provide healthcare assistance to employees and still recoup any money invested that their employees don't use. We have helped some businesses save close to \$200,000 annually just by changing how they comply with the ordinance," said Casey Stratmeyer, Business Development Manager. "Most businesses don't have time to keep up with all of the legal updates and paperwork processing so we do it for them. We are their Alliance for Payroll Compliance!" To learn more about Payroll Systems, see their website at <http://www.Payroll-us.com>.