



SAN FRANCISCO
CHAMBER OF COMMERCE

New Laws Affecting Employers in 2012

New local and state legislation will impact San Francisco employers in the year ahead. Below are key updates and links to new regulations effective January 1, 2012.

Local Employment Laws

New Minimum Wage Rate: San Francisco's Minimum Wage will increase from \$9.92/hour to \$10.24/hour. The ordinance applies to all adult and minor employees who work two or more hours per week in San Francisco. [Click here](#) for the new 2012 Minimum Wage poster. Contact MWO@sfgov.org or 415.554.6292.

New Health Care Security Ordinance (HCSO) Expenditure Rates: San Francisco's HCSO contribution rates will increase from \$1.37/hour to \$1.46/hour for medium-sized companies and from \$2.06 to \$2.20/hour for large businesses (100+ employees). Employers with 19 or less employees are exempt from the requirements. [Click here](#) for more information. Contact HCSO@sfgov.org or 415.554-7892.

New HCSO Rules and Requirements: Several HCSO provisions will take effect in 2012 including new posting rules, reporting requirements and regulations governing the use of Health Reimbursement Accounts (HRAs) as a way to comply with the HCSO spending requirements. [Click here](#) for more information. Contact hcsos@sfgov.org or 415.554.7892.

State Employment Laws

Approximately two dozen new state employment laws will impact business' day-to-day operations and policies. These laws include new provisions for credit checks, employee commissions, health insurance, maternity leave and much more. [Click here](#) for a full listing of new state laws impacting California businesses.

Credit Check Limits: Assembly Bill 22 prohibits employers (except from certain financial institutions) from obtaining consumer credit reports for most employees and applicants. Senate Bill 909 requires employers conducting credit checks to disclose the privacy practices of the investigative consumer reporting agency.

Employee Commission Requirements: Assembly Bill 1396 requires employers to have a written commission agreement with employees paid a commission. The contract must include the method by which commissions will be computed and paid, and be signed by the employer and acknowledged by the employee.

Independent Contractor Penalties: Assembly Bill 459 amends the California Labor Code to prohibit “willful misclassification” of independent contractors. The Labor and Workforce Development Agency may assess penalties between \$5,000 and \$15,000 for each violation.

Notice of Rate Pay: Assembly Bill 469 requires employers to provide non-exempt employees with a notice that states the employee’s wage rate, allowances and other information. Any changes in employee wage basis will require a new written notice within seven days.

Maternity Leave Health Benefits: Senate Bill 229 and Assembly Bill 592 will require employers to maintain health insurance coverage during Pregnancy Disability Leave (PDL) on the same terms as provided to the employee prior to the leave. Assembly Bill 592 makes interference with employees’ leave rights an independent basis for employer liability.

E-Verify Limits: Assembly Bill 1236 restricts the ability of the state or any county, city or special district to require an employer to use an electronic employment verification system, such as E-Verify, except when required by federal law.

Health Insurance Provisions: Senate Bill 757 clarifies that any insurance policy provided to a California resident may not discriminate in coverage between spouses or domestic partners.

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