

## **LEGISLATIVE DIGEST**

[Labor and Employment Code - Health Service System - Exemption for Life and Long-Term Disability Insurance Contract]

**Ordinance exempting the Health Service System's Life and Long-Term Disability Insurance services contract from the requirements of Article 111 (Minimum Compensation) and Article 121 (Health Care Accountability) of the Labor and Employment Code.**

### **Existing Law**

Article 111 (Minimum Compensation) of Labor and Employment Code requires that contractors must ensure that employees who spend any time performing work on a San Francisco funded agreement receive required levels of compensation and compensated time off. Article 121 (Health Care Accountability) of the Labor and Employment Code requires that contractors must ensure that employees who spend 20 or more hours per week performing work on a San Francisco funded agreement receive required levels of health care or compensation. Both statutes also require recordkeeping and audit access requirements. Contracts awarded by the Health Service System are subject to these laws.

### **Amendments to Current Law**

The proposed ordinance would exempt the Health Service System's Plan Year 2026 Life and Long-Term Disability Insurance services contract from the requirements of Article 111 (Minimum Compensation) and Article 121 (Health Care Accountability) of the Labor and Employment Code. The agreement between Health Service System and the awarded contractor would not include obligations pertaining to the exempted statutes. Amendments and extensions of the 2026 agreement would also not be subject to the exempted statutes.

### **Background Information**

The Health Service System RFP process resulted in an intended award to a contractor unwilling to agree to Article 111 (Minimum Compensation) and Article 121 (Health Care Accountability) of the Labor and Employment Code. No exemptions or waivers were feasible options.

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