

PAY OR PLAY PROGRAM OVERVIEW

The Pay or Play Program was established with Ordinance 2007-534 on July 1, 2007 and is governed by Executive Order 1-7. The Pay or Play Program (POP Program) creates a more level playing field and enhances fairness in the bid process between competing contractors that choose to offer health benefits to their workforce and those who do not.

The program also recognizes and accounts for the fact that there are costs associated with health care of the uninsured citizens of the Houston and Harris County area.

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PAY OR PLAY PROGRAM GUIDE

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PAY OR PLAY PROGRAM

WHAT IS IT?

City of Houston (COH), Executive Order 1-7 (2007) mandates that a “covered” Pay or Play contract consist of professional service, construction, or service contracts over \$100,000 (prime) or \$200,000 (subcontractor). The POP Program applies to “covered employees” that are over 18 years of age, and work at least 30 hours per week. POP is required for certain Housing and Community Development (HCD) contracts, including public service contracts.

PLAY OPTION

If the COH contractor chooses to “Play” they must offer “covered employees” working on POP contracts with health insurance coverage that cost the COH contractor no less than \$150 per month per “covered employee” and no less than 50% of total cost of coverage. Employees on POP “covered contracts” are required to be offered health insurance that cost them no more than \$150/month for single coverage.



PAY OPTION

If the COH contractor chooses to “Pay”, they are required to submit weekly POP 5s to the B2GNOW. POP 5s should list all the contractor’s employee’s working on the POP contract and list the total weekly hours those employees work for that contractor, as well as, the total hours they work on the POP contract to B2GNOW.

A dollar an hour fee is assessed to the contractor if their employee(s) worked a total of 30 hours or more per week and ANY amount of time on a POP contract up-to \$40 per employee per week.

PAY OPTION EXAMPLE

If an employee works 30 hours during the week for COH Contractor A, and 15 of those 30 hours are on POP contract B, the fee assessed to Contractor A for that employee is \$15 for that contract.

POP EXEMPTION

A contractor’s “covered employee” can be considered exempt from POP if that employee has insurance through Medicaid/Medicare or through their spouse. A POP 8 (exemption) will need to be filled out and copy of insurance provided for an exemption to be approved.

POP FORMS REQUIRED PRIOR TO CONTRACT START DATE

- **POP-1 Pay or Play Acknowledgment Form**
(Prime contractor only)
- **POP-2 Certification of Compliance with POP**
(Prime and “covered” subcontractors)
- **POP-3 POP List of Subcontractors**
(Prime contractor only)