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California Governor Signs New Pay Data and Salary Disclosure Bill

Governor Gavin Newsom signed California's [Senate Bill 1162](#), a pay transparency law aimed at identifying pay disparities based on gender, ethnicity, and race, on September 27, 2022. The bill expands employers' obligations to report pay data and requires certain employers to disclose salary ranges for employees and positions available to applicants.

Specifically, SB 1162 requires employers with 100 or more employees to report, among other things, the mean and median pay of their employees by race, ethnicity, and gender on or before the second Wednesday of May 2023, and for each year thereafter on or before the second Wednesday of May. Any employer with 100 or more employees hired through labor contractors will also be required to submit a separate pay data report to the department for those employees in accordance with the same time frame. If an employer fails to submit the required information, the state may seek a court order imposing civil penalties of up to \$100 per employee for the first failure to report and up to \$200 per employee for any subsequent failure.

Under the new law, employers must, upon request, provide an employee with the pay scale for the position in which the employee is currently employed. Employers with 15 or more employees must include the pay scale for a position in any job posting. Aggrieved employees may file a written complaint with the labor commissioner, who can impose penalties of up to \$10,000 per violation.

California employers should contact experienced counsel for guidance with questions regarding the implementation and requirements of SB 1162.

Authors

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