Blogs

January 27, 2023 California Civil Rights Department Updates FAQs on New California Pay Transparency Law

California's Senate Bill 1162, a pay transparency law aimed at identifying pay disparities based on gender, ethnicity, and race, went into effect on January 1, 2023. Last week, the California Civil Rights Department (CRD), the state agency tasked with enforcing California's civil rights laws, updated their Frequently Asked Questions (FAQ) to reflect the resulting changes to the state's pay data reporting requirements.

The updates addressed include the following:

- **Deadline change.** The reports covering the 2022 reporting year are due on Wednesday, May 10, 2023. In the years following, the filing deadline will be the second Wednesday of May each year.
- Labor contractor worker reporting. Private employers with 100 or more workers hired through labor contractors in the prior calendar year (with at least one worker based in California) must file a separate "Labor Contractor Employee Report" that covers all workers hired through labor contractors in the prior calendar year.
- Mean and median rates. Employers must additionally calculate and report the mean and median hourly rates of their workers. The spreadsheet template adds the requisite rows. FAQ section V.F. addresses questions related to this change.
- Increased penalties for non-filers. The CRD now has the power to seek an order for the noncompliant employer to file a required report as well as impose civil penalties of \$100 per employee, increasing to \$200 per employee for subsequent noncompliance.

The updated portal, user guide, spreadsheet templates, .CSV file examples, and other resources will be available by February 1, 2023, at <u>www.calcivilrights.ca.gov/paydatareporting</u>. California companies with questions about California's pay transparency law should contact experienced counsel.

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