

The deadline to comply with California pay reporting requirements is fast approaching.

As reported <u>last year</u>, <u>SB 1162</u> (codified in section 12999 of the California Government Code) requires private employers having 100 or more total employees to submit an annual report detailing pay, demographic, and other workforce data to the California Civil Rights Department (CRD) (formerly the Department of Fair Employment and Housing). The employee count for these purposes consists of full-time workers, part-time workers, and/or workers hired through labor contractors. This year, the reports are due on **May 8, 2024**, for reporting year 2023.

Reporting Requirements

On February 1, 2024, the CRD published updated <u>FAQs</u> for the 2023 reporting period that detail the following changes:

- New Data Fields: Employers must report whether employees worked remotely during the Snapshot Period. The "Snapshot Period" is a single pay period between October 1 and December 31 of the reporting year that is chosen by the employer.
- Race, Ethnicity, and Sex: On the Labor Contractor Employee Reports, employers are no longer permitted to report "unknown" race/ethnicity or sex of labor contract employees.

As a reminder, the following requirements remain in effect:

- Mean and Median Pay Rates: Employers are required to calculate and report the mean and median hourly rate of their payroll employees and/or labor contractor employees by establishment, pay band, job category, race/ethnicity, and sex.
- **Increased Penalties:** SB 1162 permits the CRD to obtain monetary penalties against any employer that fails to file a required report and any labor contractor that fails to supply necessary data to a client employer.
- Only California Workers: Employers are only required to report on workers assigned to California establishments and/or working within California. Employers are not permitted to report on workers outside of California.

Takeaways

California employers should act quickly, if they have not already, to gather information necessary to comply with reporting year 2023 requirements by the May 8, 2024, deadline and contact experienced counsel for guidance and questions related to the pay data reporting requirements.

Authors



Heather M. Sager

Partner

HSager@perkinscoie.com 415.344.7115



Elizabeth Holland

Associate EHolland@perkinscoie.com

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