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Action Required – CA Employers Must Complete Pay Data Reporting by March 31, 2021

Background

In a continued effort to reduce gender and racial pay gaps, the state of California passed new legislation on September 30, 2020. The law requires that large employers (those with 100 or more employees) must report to the Department of Fair Employment and Housing (DFEH) pay and hours-worked data by job category and by sex, race, and ethnicity by March 31, 2021.

In enacting this law, the Legislature found that the gender pay gap persists, resulting in billions of dollars in lost wages for women each year in California. Pay discrimination is not just a women's issue, but also harms families and the state's economy. In 2016, California women working full time, year round, made a median 88 cents to every dollar earned by men, and for women of color, that gap is far worse. Although there are valid reasons for paying some employees more than others, pay discrimination continues to exist, and can be the result of historic inequities.

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Summary

By creating a system in which large employers report their pay data annually, the Legislature wanted to encourage these employers to assess their internal pay inequalities along gender, racial, and ethnic lines and promote voluntary compliance with equal pay and anti-discrimination laws. Employers' pay data reports will allow DFEH to more efficiently identify wage patterns and allow effective enforcement of equal pay or antidiscrimination laws. DFEH's strategic vision is a discrimination-free California.

Employer Next Steps

- The California DFEH web page has been updated with additional information including [employer filing requirements and required content](#). Additional guidance will be updated as the information becomes available.
- If you are a qualifying employer, you must report employee pay data to DFEH by March 31, 2021.
- If you are interested in outsourcing the preparation and submission of your company's EEO-1 data, please [email us](#).

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