



e-Alert

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California Pay Data Reports Due May 10, 2023

Background

California implemented pay data reporting in 2020 where employers with 100 or more U.S. employees and at least one employee in California are required to file an annual Pay Data Report with the California Civil Rights Department under California Government Code, section 12999. This statute was amended in 2022 by Senate Bill-1162 that continues this filing requirement and enhances the pay data reporting system in several major respects. The portal to report pay data for the 2022 reporting year opened on February 1, 2023, with a filing deadline of May 10, 2023.

Summary

Key Changes for 2023

- Employers must submit their reports regardless of whether they file a federal EEO-1 report; this removes the prior limitation that an employer was only obligated to file if they submitted a federal EEO-1 report.
- Employers must include the median hourly rate of employee groupings (i.e., groups within the same establishment, job category, race/ethnicity, and sex).
- Employers have more time to file; the deadline was pushed out from March 31 each year to the second Wednesday in May of each year.
- For 2023, reports must be filed by May 10. Private employers with 100 or more

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workers hired through labor contractors within the prior calendar year must submit a separate Pay Data Report. Contract workers located inside and outside of California are counted.

- A labor contractor is considered an individual or entity that, either with or without a contract, supplies a client employer with workers to perform labor within their usual course of business. Employers must disclose the ownership names of all labor contractors used to supply employees. Labor contractors are required to supply all necessary pay data to the employer.
- When an employer falls under both criteria (100 employees and 100 labor contractors), they must submit a report for each individual location; under the prior law, employers only had to prepare one report.
- Senate Bill-1162 also requires certain employers to include pay scales on job postings. This requirement, which is separate from the pay data reporting system, is not enforced by the Civil Rights Department; it is enforced by the Labor Commissioner's Office.

Employer Next Steps

- Review the [California Department of Fair Employment and Housing \(DFEH\)](#) for more information including a User Guide, FAQs, filing templates and instructions
- Determine if you are a covered employer and prepare to file by May 10, 2023
- Employers may determine the "snapshot" period, which is a single pay period between October 1, 2022, and December 31, 2022
- Employers who engage with labor contracts may want to review those contracts and agreements to ensure they are collecting the appropriate information
- If you are interested in outsourcing the preparation and submission of your company's California's pay data, please [email us](#)

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