



e-Alert

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California's Labor Commissioner Releases Guidance on Wage Transparency Laws

Background

California's new pay transparency law [SB-1162](#) that went into effect January 1st expanded pay data reporting requirements and also requires employers with 15 or more employees to post a pay scale in job postings. The Labor Commissioner recently issued a [FAQ](#) that provides guidance regarding several key elements of the law.

Summary

Employee Threshold

The law did not initially specify how to count the number of employees for the purposes of coverage. The Labor Commissioner has since clarified that the inclusion of a pay scale in job postings is applicable when 1) an employer reaches 15 employees at any point within a pay period and 2) at least one employee is currently located in California. If an employer has multiple locations, then all employees are counted, including out-of-state employees.

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Remote Workers

Previously, employers were uncertain whether the new law would apply to out of state or nationwide job postings. The FAQ clarifies if a position can be filled by someone in California, either in person or remotely, then the pay scale must be included in the job posting.

Definition of a Pay Scale

The law defines a “pay scale” as the salary or hourly wage range the employer reasonably expects to pay for the position. The Labor Commissioner clarified that this range *excludes* bonuses, tips, commissions, or other benefits. However, if the position’s salary or hourly rate is based fully or partially on commission or a piece rate, then the commission or piece rate should also be included. It was also noted that the wage information must be displayed in the posting itself, as QR codes and links are not acceptable.

Violations of the Law

A person has one year to file a written complaint with the Labor Commissioner from the date they learned of the violation (not when the violation may have occurred). The Labor Commissioner indicated that an employee may file a claim of retaliation with the Labor Commissioner’s office within one year of retaliation.

Employer Next Steps

- Review and assess current and existing job postings to ensure you are compliant with the new laws
- If you would like information on how we can help creating pay bands/wage scales, please [contact us](#)
- More information can be found on the [State of California- Department of Industrial Relations website](#)
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please [email us](#)

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