

## **SB 1162: Expands Pay Data Reporting and Pay Transparency in California**

Effective January 1, 2023, this bill contains two components affecting California employers:

(1) Expanding Pay Data Reporting and (2) Disclosing Pay Scale Information to job applicants and employees. The point of these requirements is to promote pay equity and pay transparency.

### **1. Pay Data Reporting**

- **Summary Points:**

- All private California employers with 100 or more employees (working anywhere) must file pay data reports, regardless of whether they are required to file a federal EEO-1 with the EEOC.
- The report submittal date changes from March each year to the second Wednesday of May. Under the new requirement, the first report is due May 10, 2023.
- The report must include the median and mean hourly rates within each job category by race, ethnicity, and sex.
- Employers with 100 or more employees hired through labor contractors must file a separate pay data report covering those employees.
- The legislation establishes significant civil penalties for failure to submit pay data reports.

- **Emplicity's Involvement:**

- We provide this service to our [PEO](#) clients, which involves capturing and compiling the necessary data and submitting the report to the Civil Rights Department (CRD) (formerly the Department of Fair Employment and Housing [DFEH]).

### **2. Pay Scale Transparency on Job Postings and in the Workplace**

- **Summary Points:**

- California employers with 15 or more employees (working anywhere) must include pay scale information in *any* job postings (internal, external, and those managed by third parties).
- What is a pay scale? The range of compensation an employer reasonably expects to pay someone in that position.
- Upon request, employers must provide applicants with the pay scale for the job to which they are applying AND employees with the pay scale for their current position.
- Records of job titles and pay rate history for each employee must be retained for the duration of their employment and 3 years after their employment ends.

- **Emplicity's Involvement:**

- Although the responsibility for this component falls on employers, our HR Consultants are here to advise on best practices to comply with the regulation. We stay abreast of changes in the legal landscape and provide our clients with updates and compliance support.