ROFFMAN HORVITZ, PLC

LEGAL COUNSELING
FEDERAL CONTRACT COMPLIANCE & EMPLOYMENT DATA ANALYTICS

CLIENT UPDATE

JAMES M. MCCAULEY

FEBRUARY 2024

CALIFORNIA PAY DATA REPORTING UPDATE

The California Civil Rights Department (CRD) opened the Pay Data Reporting portal for 2023 reports on February 1, 2024, and the deadline for reporting 2023 data is May 8, 2024. CRD will continue to collect both Payroll Employee reports and Labor Contract Employee reports but has made several changes to the reports this year.

Changes in the 2023 Reporting Cycle:

1. **Secretary of State Number:** Employers must provide the California Secretary of State number (SoS number) for the reporting organization. Organizations can look up their SoS numbers on the Secretary of State's business search: https://bizfileonline.sos.ca.gov/search/business. SoS numbers are required in the employer information portion of the report, so the number is not required per establishment or for labor contract employers in the labor contract employee report.

2. **Reporting on Remote Employees:** The Pay Data reports should include employees that work in person at California establishments, employees that work remotely

outside of California and report to establishments inside California, and employees that work remotely from California and report to locations inside and outside of California. Based on a change to the filing last year, the report should only include employees in the three described categories and should not include employees that both live and work outside of California. This year, CRD is requiring employers to separate remote workers on both the payroll and labor contractor employee reports. In addition to the total employee count in each line, employers must also specify the number of employees that do not work remotely, number of employees that work remotely inside of California, and number of employees that work remotely outside of California.

3. **New Templates:** Since the report is adding three additional fields for counts of employees based on remote work, CRD has released new Excel (**https://calcivilrights.ca.gov/paydatareporting/pdr-excel-templates/**) and .CSV (**https://calcivilrights.ca.gov/paydatareporting/pdr-csv-templates/**) templates for filers uploading data sets to the filing portal. The updated Excel templates also allow filers to review comments with instructions for each field when filers select the column headers in the report templates.

4. **No Unknown Race, Ethnicity, and Sex Entries Permitted for Labor Contractor Employees:** Labor Contractor Employee Reports no longer have an option to report employees with unknown Race/Ethnicity or Sex. CRD first collected Labor Contractor Employee reports last year for the 2022 reports. Since Labor Contractor Employees may not have tracked race, ethnicity, and sex for their employees, CRD permitted filers to enter records with unknown values for race, ethnicity, and/or sex. This year, CRD expects Labor Contractor Employers to have collected race, ethnicity, and gender, and will no longer permit unknown values in the report.

Background:

California requires employers with 100 or more employees in the US and at least one California employee to file a Payroll Employee Pay Data Report detailing the races, ethnicities, genders, earnings, and hours worked for its employees that report to California establishments and/or work remotely from California. Last year California began requiring employees with 100 or more employees hired through labor contractors and at least one California employee to file a separate report covering labor contractor employees. Guidance documents and the filing portal for the report are located on the CRD site: **https://calcivilrights.ca.gov/paydatareporting/**.

RH

***

James M. McCauley
Associate Attorney
jmccauley@roffmanhorvitz.com
(703) 752-3766

About Roffman Horvitz
Roffman Horvitz, PLC was built from the ground up to provide a best-in-class outside counsel option for federal contractor employers in the areas of OFCCP compliance, affirmative action plan preparation and design, and employment data analytics.

R H