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GOVERNMENT CODE - GOV

TITLE 2. GOVERNMENT OF THE STATE OF CALIFORNIA [8000 - 22980] (Title 2 enacted by Stats. 1943, Ch. 134.) DIVISION 3. EXECUTIVE DEPARTMENT [11000 - 15990.3] (Division 3 added by Stats. 1945, Ch. 111.) PART 2.8. CIVIL RIGHTS DEPARTMENT [12900 - 12999] (Heading of Part 2.8 amended by Stats. 2022, Ch. 48, Sec.

29.)

CHAPTER 10. Annual Pay Data Report [12999- 12999.] (Chapter 10 added by Stats. 2020, Ch. 363, Sec. 3.)

- 12999. (a) (1) On or before the second Wednesday of May 2023, and on or before the second Wednesday of May of each year thereafter, a private employer that has 100 or more employees shall submit a pay data report to the department covering the prior calendar year, which, for purposes of this section, shall be referred to as the "Reporting Year."
 - (2) On or before the second Wednesday of May 2023, and on or before the second Wednesday of May of each year thereafter, a private employer that has 100 or more employees hired through labor contractors within the prior calendar year shall submit a separate pay data report to the department covering the employees hired through labor contractors in the prior calendar year. The private employer shall also disclose on the pay data report the ownership names of all labor contractors used to supply employees. A labor contractor shall supply all necessary pay data to the private employer.
- (b) The pay data report shall include the following information:
 - (1) The number of employees by race, ethnicity, and sex in each of the following job categories:
 - (A) Executive or senior level officials and managers.
 - (B) First or mid-level officials and managers.
 - (C) Professionals.
 - (D) Technicians.
 - (E) Sales workers.
 - (F) Administrative support workers.
 - (G) Craft workers.
 - (H) Operatives.
 - (I) Laborers and helpers.
 - (J) Service workers.
 - (2) The number of employees by race, ethnicity, and sex, whose annual earnings fall within each of the pay bands used by the United States Bureau of Labor Statistics in the Occupational Employment Statistics survey.
 - (3) Within each job category, for each combination of race, ethnicity, and sex, the median and mean hourly rate.
 - (4) For purposes of establishing the numbers required to be reported under paragraph (1), an employer shall create a "snapshot" that counts all of the individuals in each job category by race, ethnicity, and sex, employed during a single pay period of the

employer's choice between October 1 and December 31 of the "Reporting Year."

- (5) For purposes of establishing the numbers to be reported under paragraphs (2) and (3), the employer shall calculate the total earnings, as shown on the Internal Revenue Service Form W-2, for each employee in the "snapshot," for the entire "Reporting Year," regardless of whether or not an employee worked for the full calendar year. The employer shall tabulate and report the number of employees whose W-2 earnings during the "Reporting Year" fell within each pay band.
- (6) The employer shall include in the report the total number of hours worked by each employee counted in each pay band during the "Reporting Year."
- (7) The report shall include the employer's North American Industry Classification System (NAICS) code.
- (c) For employers with multiple establishments, the employer shall submit a report covering each establishment.
- (d) The report shall include a section for employers to provide clarifying remarks regarding any of the information provided. An employer is not required to provide clarifying remarks.
- (e) The information required by this section shall be made available in a format that allows the department to search and sort the information using readily available software.
- (f) If the department does not receive the required report from an employer, the department may seek an order requiring the employer to comply with these requirements and shall be entitled to recover the costs associated with seeking the order for compliance. Upon request by the department, a court may impose a civil penalty not to exceed one hundred dollars (\$100) per employee upon any employer who fails to file the required report and not to exceed two hundred dollars (\$200) per employee upon any employer for a subsequent failure to file the required report. Any penalty under this subdivision shall be payable to the Civil Rights Enforcement and Litigation Fund established under Section 12907. If the employer is unable to submit a complete and accurate report because a labor contractor has not provided the pay data as required under paragraph (2) of subdivision (a), the court may apportion an appropriate amount of penalties to any labor contractor that has failed to provide the pay data to the employer.
- (g) It shall be unlawful for any officer or employee of the department or the Division of Labor Standards Enforcement to make public in any manner whatever any individually identifiable information obtained pursuant to their authority under this section prior to the institution of an investigation or enforcement proceeding by the Division of Labor Standards Enforcement or the department under Section 1197.5 of the Labor Code or Section 12940 involving that information, and only to the extent necessary for purposes of the enforcement proceeding. For the purposes of this section, "individually identifiable information" means data submitted pursuant to this section that is associated with a specific person or business.
- (h) Any individually identifiable information submitted to the department pursuant to this section shall be considered confidential information and not subject to disclosure pursuant to the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1).
- (i) Notwithstanding subdivision (g), the department may develop, publish on an annual basis, and publicize aggregate reports based on the data obtained pursuant to their authority under this section, provided that the aggregate reports are reasonably calculated to prevent the association of any data with any individual business or person.
- (j) The department shall maintain pay data reports for not less than 10 years.
- (k) For purposes of this section, the following definitions shall apply:
 - (1) "Employee" means an individual on an employer's payroll, including a part-time individual, and for whom the employer is required to withhold federal social security taxes from that individual's wages.
 - (2) "Labor contractor" means an individual or entity that supplies, either with or without a contract, a client employer with workers to perform labor within the client employer's usual course of business.
 - (3) "Establishment" means an economic unit producing goods or services.
- (I) Upon request by the department, no later than 60 days from the date of the request, the Employment Development Department shall provide the department with the names and addresses of all businesses with 100 or more employees in order to ensure compliance with this section.
- (m) The amendments made to this section by Senate Bill 1162 of the 2021–22 Regular Session of the Legislature shall not affect the requirement of employers to file reports in 2021 and 2022 pursuant to this section as it read on December 31, 2022, or the department's authority to pursue those employers on and after January 1, 2023.

(Amended (as amended by Stats. 2021, Ch. 615, Sec. 178) by Stats. 2022, Ch. 559, Sec. 1. (SB 1162) Effective January 1, 2023.)