

New EEO-1 Pay Reporting Requirements Suspended Indefinitely

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Larger employers no longer have the immediate worry about collecting and analyzing pay data to complete the federal EEO-1 employment report.

The end of September was traditionally the deadline by which companies with more than 100 employees would file their EEO-1 reports with the federal Equal Employment Opportunity Commission. The deadline had been stretched to March 31, 2018, earlier this year because of the addition of controversial new employee pay reporting requirements. The new EEO-1 report would have required employers to collect and process employee pay data by gender, race, and ethnicity, but those requirements have been indefinitely suspended to allow the government more time to assess the impact of and alternatives to the pay reporting requirements.

Many businesses complained that the collection of such pay data was onerous, and Republican lawmakers pressed the Trump administration to eliminate the new requirements.

Much to the relief of employers, the federal Office of Management and Budget suspended indefinitely the new pay reporting requirements. While lawmakers and the OMB lauded the EEOC's good intention of combating pay discrimination, they expressed concern that the process was unnecessarily burdensome, did not address privacy and confidentiality issues and lacked practical utility. Acting EEOC Chair Victoria Lipnic nevertheless noted the EEOC remains focused on tackling pay discrimination, and will continue to look at ways to address the wage gap. The EEOC also is expected to issue guidance and assistance on technical compliance questions soon.

In the meantime, employers are still required to file Component 1 of the EEO-1 report by March 31, 2018.

Some items to remember:

The report must include employee demographic data on race, gender and ethnicity by job category as in the past. It will not include information on compensation or hours worked.

Federal government contractors required to file VETS-4212 forms must still file those reports by September 30.

The OMB's decision does not affect existing federal contractor reporting requirements with the Office of Federal Contract Compliance Programs.

Anyone with questions on these changes can contact me or any of the attorneys in Barley Snyder's Employment Law Practice Group.

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