



Featured News

**ALERT**  
**Transparency Pay Bill**

On September 27, 2022, Gov. Gavin Newsom signed Senate Bill 1162 into law. The new law imposes new pay data disclosure and reporting requirements on California employers. Specifically, the law requires an employer with 15 or more employees to include the pay scale for a position in any job posting and provide an existing employee, upon request, the pay scale for the position in which the employee is currently employed. *Pay scale* has been defined to mean a salary or hourly wage range, and does not include bonuses, equity, or other types of compensation.



If an employer utilizes a third party to publish or announce job postings, the employer must provide the pay scale to the third party and the third party must include the pay scale in the job posting.

Violations of the pay scale reporting requirements will be investigated by the Labor Commissioner. The Labor Commissioner has the authority to order an employer to pay a civil penalty of no less than \$100 and no more than \$10,000 per violation. A penalty will not apply to the first violation if the employer can demonstrate that all job postings for open positions have been updated to include pay scales.

Senate Bill 1162 also authorizes persons aggrieved by a violation to file a written complaint with the Labor Commissioner and bring a civil action for injunctive relief. Further, an employer is required to maintain records of each of its employee's job title and wage rate history for the duration of each employee's employment and three (3) years after the end of such employment. If records are not maintained, and a dispute arises between the employee and the employer, there is a rebuttable presumption in favor of the employee.

Senate Bill 1162 also amends reporting requirements for employers that have 100 or more employees (with at least one employee in California). Now, those employers are required to submit an annual pay data report to the Civil Rights Department (formerly, the Department of Fair Employment and Housing) covering the prior year. Previously, this report only needed to be filed by employers who were also required to file an annual Employer Information Report (EEO-1) under federal law. Reporting now requires that pay data reports include the median and mean hourly rate within each job category for each

combination of race, ethnicity and sex.

The pay data reports will be due the second Wednesday of May each year. Failure to file the required report may give rise to a civil penalty of \$100 per employee for the first failure to file and not to exceed \$200 per employee for a subsequent failure to file.

Senate Bill 1162 will go into effect on January 1, 2023. Pay data reports are due starting May 10, 2023.



Author

[Tonya D. Hubinger](#)  
T 925.944.9700  
[thubinger@brothersmithlaw.com](mailto:thubinger@brothersmithlaw.com)

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2033 North Main Street, Suite 720  
Walnut Creek, California 94596  
T 925.944.9700 F 925.944.9701

[www.brothersmithlaw.com](http://www.brothersmithlaw.com)

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