

CLIENT ALERT

White House Stays Implementation of New EEO-1 Reporting Requirements

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On August 29, 2017, the White House Office of Management and Budget issued an indefinite stay of the implementation of the Equal Employment Opportunity Commission's (EEOC) new EEO-1 reporting requirements. Under the Obama Administration, the Equal Employment Opportunity Commission announced that it would begin requiring employers to include information regarding employee compensation on their EEO-1 reports. The recent stay prevents the EEOC from implementing this requirement, at least until the White House can conduct a review of the new pay data requirements.

Current EEOC regulations require employers with more than 100 employees and federal contractors with more than 50 employees to submit data about their employees' race/ethnicity, gender, and job category to the EEOC on an annual EEO-1 report. The new regulations would have required employers to report employees' annual compensation in one of twelve pay bands and the total number of hours worked by those employees, along with all of the information currently required on the EEO-1 report. The new regulations would have gone into effect on March 31, 2018.

In requiring employers to submit additional information on their EEO-1 reports, the EEOC seeks to study and detect unlawful pay discrimination.

The EEOC anticipated that the new reporting requirements would cost employers approximately \$400 per employee in the first year, although costs would decrease in subsequent years. In addition to the administrative burden of compiling additional data, employers have noted that reporting pay by compensation band and hours worked provides a misleading picture of an employer's compensation data. The EEO-1 would not provide employers with the opportunity to explain how an employee's education, tenure, or performance may have affected their compensation levels.

While the new compensation reporting requirements have been placed on hold, employers must continue to comply with the former EEO-1 reporting requirements. Please contact a member of Hahn Loeser's [Labor and Employment Group](#) if you have any questions about your EEO-1 reporting requirements.



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