

# Updated California Pay Data Reporting Guidance Increases Focus on Remote Employee Reporting

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On February 1, 2024, the California Civil Rights Department (CRD), the agency responsible for administering California's pay data collection, issued updated guidance for the 2023 California pay data reports that are due May 8, 2024. The new guidance largely maintains the 2022 pay reporting process with a few updates. The 2023 reporting process will again include the labor contractor employee reports which were required for the first time during the 2022 reporting year.



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## Quick Hits

- The 2023 California pay data reports are due by May 8, 2024.

- The labor contractor employee reports will be collected again this year.
- The new report format requires more information about remote employees.
- CRD emphasizes it will take enforcement actions against employers that do not file reports.

Below are several observations from a review of CRD's updated [frequently asked questions \(FAQs\)](#), [user guide](#), and the [reporting templates](#).

CRD emphasized at several points that it intends to pursue employers that do not file required reports and pointed to the actions it has taken [against Cambrian Homecare](#) to highlight this enforcement focus.

There is an updated focus on reporting remote worker data with three new columns added to both reports. These columns require reporting of the number of employees physically located at the reported establishment as well as breaking down remote employees assigned to that establishment by those located inside and outside California. There are also additional FAQs discussing remote employees.

For the first time, employers will be required to provide their California Secretary of State (SoS) numbers. The updated user guide identifies this new requirement as one of the most important changes for this reporting cycle. The guidance states that sole proprietors and others that are not required to register with the California Secretary of State may opt out of reporting an SoS number.

CRD continued to emphasize that employers should only report "California" payroll employees and labor contract employees as defined in the guidance.

Significantly, CRD has not updated its guidance as to which workers are labor contractor employees who must be included in the 2023 reports. There was some hope that CRD would provide additional information to help employers understand this requirement. However, the provided information seems to be nearly identical to guidance in last year's FAQs.

All reports are due by May 8, 2024, and there is no indication that CRD will provide additional time to file labor contractor employee reports this filing cycle as it did last year.

In a change from last year, filers must provide gender and race/ethnicity information for all labor contractors' employees. During the 2022 filing cycle, filers were able to use "unknown" for race/ethnicity and gender with the warning that this would be allowed for the first year only.

Where labor contractors fail to provide required labor contractor employee data to employers, the guidance states that employers "should email" CRD concerning these failures. The guidance also instructs employers in this situation to provide the names, addresses, and FEINs/SEINs of any labor contractor(s) that did not provide data as well as "provide documentation of their efforts to obtain the relevant data." This reporting

process would theoretically allow CRD to focus on labor contractors that are not providing data required for the labor contractor employee reports. These second-year reports were a major explanation of California's pay data reporting requirement designed to provide a view of pay within employers' contingent workforces.

In light of the upcoming filing deadline of May 8, 2024, for 2023 pay data, employers may want to assess their preparations to file the 2023 payroll employee and labor contractor employee pay data reports.

Ogletree Deakins' [OFCCP Compliance, Government Contracting, and Reporting Practice Group](#) will continue to monitor developments with respect to California pay data reporting and will provide updates on firm's [California, OFCCP Compliance, Government Contracting, and Reporting](#), and [Pay Equity](#) blogs.

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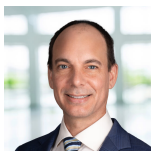
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