

Employment, Labor & Workforce Management

ACT NOW ADVISORY

New EEO-1 Component 2 Wage/Hour Reporting Portal Now Open for Mandatory September 30 Filing

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The U.S. Equal Employment Opportunity Commission ("EEOC") recently announced that its <u>2019 EEO-1 Component 2 portal</u> is now open and accepting submissions. Employers with this requirement have only 50 days from August 11, 2019, to submit and certify their data to the EEOC. All employers with 100 or more employees are required to electronically file Component 2, providing workforce employment data, including pay and hours worked, grouped by gender, race/ethnicity, and job category for calendar years 2017 and 2018. The deadline to file Component 2 data is September 30, 2019. This is in addition to the EEO-1 Component 1 data that was due May 31, 2019.

A sample report can be found <u>here</u>. Key points for employers to remember include the following:

- Employers are to use "Box 1 Wages, tips, other compensation" of Internal Revenue Service Form W–2 to identify the compensation band in which to count an employee.
- For non-exempt employees, employers must report actual hours worked. For exempt employees, employers have the option to either (1) report actual hours worked, if recorded, or (2) report based on "proxy" hours (typically, 40 hours per week for full-time exempt employees and 20 hours per week for part-time exempt employees).
- Employers that have multiple locations are required to complete separate reports for the consolidated company, the company's headquarters, and each individual location.

An April 25 court order (*National Women's Law Center, et al., v. Office of Management and Budget, et al.,* Civil Action No. 17-cv2458 (D.D.C. 2019)) requires the EEOC to collect the pay and hours worked data for calendar years 2017 and 2018 by September 30, 2019. While the U.S. Department of Justice has filed a Notice of Appeal in the lawsuit, that appeal does *not* stay or delay the court-imposed deadline of September 30 for Component 2 data.

What Employers Should Do Now

The Component 2 data will be readily available to EEOC investigators, the U.S. Department of Labor's Office of Federal Contract Compliance Programs (regulating affirmative action by government contractors), and possibly others. Therefore, employers should do the following:

- Collect payroll data, merge it with previously reported Component 1 data to complete the new Component 2 form, and certify and submit your Component 2 data by the deadline.
- Consider taking steps towards ascertaining compliance with federal, state, and local pay equity laws by performing your own audits, hopefully in a privileged fashion.

For more information about this Advisory, or if you need assistance with preparing Component 2 data and/or conducting pay equity audits, please contact:

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