



California Employment Law Update Game Changing Pay Transparency Requirements for Employers with 15+ Employees

On September 27, 2022, California Governor Gavin Newsom signed the state's pay transparency bill into law, imposing several new and unprecedented requirements on California employers. With the **signing of Senate Bill (SB) 1162**, effective January 1, 2023, California will join Colorado, Washington, New York City, and other municipalities, in requiring that employers disclose pay ranges in job postings. California will break new ground in also requiring reporting on other demographic and pay information to the state. The required reporting is due in May each year, starting in 2023.

Specifically, **SB 1162** requires employers with 15 or more employees to disclose, in job postings, a "pay scale," which the law defines as the "salary or hourly wage range that the employer reasonably expects to pay for the position." The law further adds a requirement that employers provide the pay scale to current employees upon request.

In addition, the law imposes a first-of-its-kind, at least in the United States, requirement that employers with 100 or more employees report to the state "[w]ithin each job category, for each combination of race, ethnicity, and sex, the median and mean hourly rate." It also imposes new reporting requirements relating to contingent workers

In a statement announcing the signing of SB 1162, Governor Newsom touted the bill as part of the state's efforts to improve pay equity, particularly for women. The new law adds to California's existing requirements to submit pay data to the state annually for existing employees and to disclose pay scales to current employees upon request.

Chameleon Strategies will continue to follow and update our clients surrounding this new legal requirement for its clients, especially as this legislative trend moves around the country.