

OFCCP Proposes Burdensome New Compensation Data Reporting Forms for Federal Contractors

September 2, 2014

On August 6, 2014, the Office of Federal Contract Compliance Programs (OFCCP) released a Notice of Proposed Rulemaking (NPRM) requiring federal contractors and subcontractors with 100 or more employees to submit an annual Equal Pay Report. The new report will supplement the Equal Opportunity Report, EEO-1. It will also include.....

On August 6, 2014, the Office of Federal Contract Compliance Programs (OFCCP) released a Notice of Proposed Rulemaking (NPRM) requiring federal contractors and subcontractors with 100 or more employees to submit an annual Equal Pay Report. The new report will supplement the Equal Opportunity Report, EEO-1. It will also include summary information on compensation paid to employees—as contained in the Form W-2, "Wage and Tax Statement"—by sex, race, ethnicity, and specified job categories. In addition, the new report will include other data points such as hours worked, and the number of employees. OFCCP issued the proposed Equal Pay Report and Instructions, in addition to a Supporting Statement, which the agency released on August 11, 2014.

The proposed rule imposes burdensome, multiple reporting requirements on contractors. Significantly, OFCCP intends to use the submitted data to prioritize contractors for compliance evaluations by "focusing on federal contractors that have potentially discriminatory compensation differences" when compared to an "objective industry standard" (as determined by OFCCP). However, the proposed Equal Pay Report provides little useful information regarding potential compensation discrimination or industry standards.

For an in-depth analysis of the NPRM and the data to be collected on the proposed Equal Pay report, see our white paper, "OFCCPs Proposed Equal Pay Report Provides Little Useful Information."

TOPICS

OFCCP Compliance, Government Contracting, and Reporting, Pay Equity