

Client Alert

Business Information for
Clients and Friends of
Shumaker, Loop & Kendrick, LLP

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Getting Ready for the New EEO-1 Report

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In 2016 the Equal Employment Opportunity Commission (“EEOC”) announced a change to the EEO-1 Report that had typically been due by September 30th of each year. This change means that there is no EEO-1 Report due in 2017. However, data from 2017 must still be collected and reported, in greater detail than before, by March 31, 2018. Companies will be using data from September through December, 2017 on their reports. As in the past, employers will choose one pay period, also referred to as “the workforce snapshot period”, to count employees by job category, sex, race or ethnicity.

The new EEO-1 Report now also requires federal contractors and employers with 100 or more employees to provide wage and hour information, in addition to demographic information, for their employees. The report will require annual earnings data from each employee’s W-2, Box 1, as well as the total number of hours worked throughout the year. Depending on your company’s pay structure and record keeping practices, the wage and hour information required by the new EEO-1 Report could be difficult to collect, which is why we recommend starting early.

If you are a federal contractor or an employer with 100 or more employees, we recommend doing a *privileged* internal audit of this information as soon as possible. An internal audit conducted prior to the end of the year will assist your company, not only in identifying any existing pay disparities, but also in troubleshooting logistical issues involved in collecting and

categorizing data. For example, while you already track hours worked for employees that are non-exempt under the FLSA, you will need to make a decision regarding exempt employees. Do you track their hours? Or will you have to use an assumed 40-hour workweek for full-time exempt employees and a 20-hour workweek for part-time? Does the same system that tracks hours also track wage data? How do you pull the necessary data from these systems? Do you have the demographic data you need? Are you categorizing your employees correctly under the EEO-1 categories? Shumaker is happy to assist you in these efforts, which would include collecting the necessary data and analyzing it for any pay disparities that might trigger an EEOC investigation.

Examining these issues early will help relieve logistical stress at the end of the year, and allow your company to make any adjustments it might need to before submitting the information to the EEOC. Please contact Mandi Ballard Clay, in our Tampa office, at mclay@slk-law.com or 813-676-7233, for assistance in preparing for the new EEO-1 Report.

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