



EEOC Pay Data Collection: One And Done?

September 18, 2019 | [EEOC, Labor And Employment](#)



**Donald P.
Lawless**
Partner

Employers required to file EEO-1 reports still face a September 30 deadline to [submit “Component 2” pay data](#) for 2017 and 2018. EEO-1 forms must be filed by private businesses with 100 or more employees as well as some federal contractors with 50 or more employees.

However, on September 12, the Equal Employment Opportunity Commission (EEOC) published a notice in the Federal Register that it is [not seeking to renew](#) the Component 2 pay data collection component of the EEO-1 form. It first wants to analyze the pay data it collects from 2017 and 2018 before deciding whether to collect pay data again. The EEOC further committed to use notice and comment rulemaking and public hearing before pursuing EEO-1 pay data collection in the future. The EEO-1 Component 1 requirement to report demographic data on race, sex, and ethnicity will continue.

This reversal is due to a new employer cost study conducted by the EEOC’s Office of Enterprise Data and Analytics, created in May 2018. The OEDA estimated the annual cost for employers to prepare the pay data at \$622 million. In 2016, the EEOC estimated the annual cost at \$54 million. The OEDA criticized the 2016 methodology, claiming it did not follow Government Accountability Office and Office of Management and Budget guidance for calculating burden estimates in federal information collections. It explained that the 2016 methodology “was [exclusively] based on the number of firms filing one or more EEO-1 reports, not on the number of reports submitted or

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the number of separate establishment submitting the reports.”

So after this year, the required EEO-1 pay data submission is shut down until further study and won't be re-implemented unless formal rulemaking takes place. Employers can use this savings of time and cost to revisit pay structures and pay decision policies and practices to best assure equal pay compliance. They can also continue to undertake privileged pay equity studies to best assure all pay practices meet legal requirements and their organizations' objectives.