



News & Types: Employment, Labor & Benefits Update

# California Newsflash - Salary Ranges on Job Postings and Upon Employee Request (Beginning January 1, 2023)

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By: Frank J. Del Barto

Practices: Employment, Labor & Benefits

On Tuesday, September 27, 2022, California Governor Gavin Newsom signed SB 1162 into law. In addition to new pay data reporting requirements beginning May 2023, SB 1162 amends California Labor Code Section 432.3 to require the following beginning January 1, 2023:

1. **Current Employees:** All employers must provide a current employee the pay scale for the position which the employee is currently employed, if requested by the employee. "Pay scale" means the salary or hourly range that the employer reasonably expects to pay for the position.
2. **Job Applicants:** All employers with 15 or more employees must (1) include the pay scale for the position being advertised in any job posting, and (2) require any third party engaged to announce, post, publish, or otherwise make known a job posting to include the pay scale provided by the employer in any job posting.
3. **Record Retention:** All employers must maintain records of an employee's job title and wage rate history for the duration of employment plus three years after the end of the employment relationship and make them available for the Labor Commissioner's inspection.
4. **Penalties:** An employee may file a complaint with the Labor Commissioner within one year after learning of the violation and bring a civil action for injunctive relief. Upon finding a violation, the Labor Commissioner may order the employer to pay a civil penalty of no less than \$100 and no more than \$10,000 per violation. For the first violation, no penalty will be assessed upon the employer demonstrating that all job postings for open positions have been updated to include pay scale information.

We expect to receive additional guidance on SB 1162, including (1) if the new pay scale disclosure requirements only apply to employers with 15 or more employees based in California, (2) how it applies to California employers seeking applicants for work outside of California, and (3) how it applies to non-California based employers seeking applicants within California. For now, all employers with employees in California should review their "pay scales," and review any "third parties" that are utilized to recruit applicants to work in California. As additional guidance becomes available, we will report on it.

