



California Employers Must Disclose Pay Ranges Effective 1/1/2023

On Tuesday, September 27 California Gov. Gavin Newsom signed the state's pay transparency law ([SB 1162](#)).

The new law will require nearly 200,000 California companies with 15 or more employees to disclose pay starting January 1 next year.

What the bill requires (partial list of key provisions):

- disclose pay scale in job postings,
- provide pay scale to current employees upon request,
- employers with 100 or more employees must report the median and mean hourly rate for each combination of race, ethnicity, and sex within each job category to the state by May 2023,
- maintain a record of each employee's job title and wage history during employment and for three years thereafter and
 - creates a rebuttable presumption in favor of an employee's claim if an employer fails to keep records in violation of these provisions.

A pivotal definition in the bill provides employers with some flexibility stipulating that *"Pay scale" means the salary or hourly wage **range** that the employer **reasonably expects** to pay for the position.*

According to Governor Newsom's [press statement](#), the bill's goal is "...to strengthen California's commitment to advancing gender equity and protecting the rights of women." This bill is one in a series of laws enacted over the past couple of years promoting diversity, equity and inclusion (DEI) in California.

RESOURCES:

JDSupra - [SB 1162 Approved: Prepare for Greater Pay Transparency Requirements](#) - 9/28/22

Bloomberg Law - [California Employers to Disclose Pay Ranges With Newsom Signing](#) - 9/27/22