

California

California Increases Pay Data Reporting Penalties

On Sept. 30, 2026, California [amended](#) its pay data reporting law to significantly increase the penalties for repeated failures to comply with the law's pay data reporting requirements. The law takes effect **Jan. 1, 2027**.

Background

California's pay data reporting law requires employers with **100 or more employees** or with **100 or more employees** hired through labor contractors (in each case, at least one of whom is in California) to file an annual workforce pay data report with the California Civil Rights Department. Such reports are due each year on the second Wednesday of May. Employers are required to collect and store demographic data separately from personnel records.

Pursuant to a prior [amendment](#), effective Jan. 1, 2027, the report must include the number of employees by race, ethnicity and sex in each of 23 job categories that align with the Standard Occupational Classification system used by the U.S. Bureau of Labor Statistics (an increase from 10 job categories required in prior years).

Employers who fail to file their annual pay data reports may be subject to civil penalties of up to \$100 per employee and civil penalties of up to \$200 per employee for any subsequent violation.

New Penalties

Under the new law, the civil penalty for a first failure will remain \$100 per employee. However, employers will be subject to a penalty of \$1,000 per employee for any subsequent failure to file the required report.

Next Steps for Employers

Employers, particularly large filers, who fail to comply with the state's pay data reporting requirements could be subject to significant penalties. Therefore, covered employers may consider reviewing their existing pay data reporting practices to ensure timely filing.

Highlights

Sept. 30, 2026

California amended its pay data reporting law to significantly increase penalties for noncompliance.

Jan. 1, 2027

The increased penalties take effect.