

Enforcement Deferral Available for California Pay Data Reports on Labor Contractor Employees

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In 2022, the California legislature passed [Senate Bill \(SB\) 1162](#), which expanded the state's existing pay data reporting requirements for "payroll employees" to include a new pay data report for employers with 100 or more "labor contractor employees." Under SB 1162, the pay data reporting deadline was moved to May. This year these reports are due May 10th.

But—according to a [new FAQ](#) from the California Civil Rights Department—beginning April 18, employers may seek "enforcement deferral" on their "labor contractor employee reports." This delayed enforcement may come as a pleasant surprise to employers still grappling with the [expanded scope of the labor contractor reporting](#).

The key takeaways from the April 14th FAQ Update include:

- The CRD will only accept requests for enforcement deferral through its [pay data reporting portal](#). As such, employers interested in taking advantage of this reprieve must first register for the portal.
- Request for enforcement deferral must be made by May 10, 2023.
- The enforcement deferral will be through July 10, 2023.
- The CRD will not consider requests made by a third party on behalf of an employer, such as a Professional Employer Organization (PEO).
- The enforcement deferral request will only apply to "labor contractor employees" reports. Reports covering "payroll employees" will still be due on May 10th.

Under applicable pay data reporting requirements, the CRD may seek a court order requiring the employer to comply with reporting requirements if they do not submit timely, as well as civil penalties of up to \$100 per employee for initial violations. Employers with concerns over the May 10th "labor

contractor employee” reporting deadline may benefit from seeking taking advantage of this procedure to seek enforcement deferral.

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National Law Review, Volume XIII, Number 107

Source URL: <https://natlawreview.com/article/enforcement-deferral-available-california-pay-data-reports-labor-contractor>