Illinois Pay Reporting Update for 2025: Additional Data Requirement as Enforcement Actions Increase

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In 2021, <u>Illinois amended</u> the Equal Pay Act of 2003 by adding a requirement that covered employers submit demographic and wage data to the Illinois Department of Labor (IDOL). This requirement applied to private employers with one hundred or more Illinois employees that were also required to file EEO-1 reports. These covered employers were required to obtain an Equal Pay Registration Certificate (EPRC) from the Illinois Department of Labor (IDOL) during the initial EPRC registration process, which ended on <u>March 24, 2024</u>.

The EPRC certification must be <u>renewed</u> every two years meaning that many employers that obtained their certifications in 2023 will be required to file new EPRC applications during calendar year 2025. As 2025 moves forward, IDOL is making updates to the EPRC application process and discussing these changes in a series of webinars.

Quick Hits

- Beginning in March 2025, employers applying for an EPRC certificate will be required to
 provide new data including hourly/salary status, base hourly rate for hourly workers, and to
 answer whether employees are covered by a collective bargaining agreement. IDOL will be
 providing a new data template in March to provide employers with further information
 regarding required data and corresponding formatting.
- IDOL is stepping up enforcement efforts, as shown by an increasing number of notices of violations being entered.
- Employers that have one hundred or more Illinois employees and that file EEO-1 reports must obtain an Equal Pay Registration Certificate every two years.
- Employers must count employees physically working in Illinois, as well as fully remote employees who report to management in Illinois to determine if they must file the EPRC application.

During the first webinar held on February 13, 2025, IDOL representatives outlined the EPRC application process, as well as noted changes beginning with the 2025 filings. Here are selected highlights:

- Employers will be required to provide new data fields in 2025, including stating whether employees are hourly or salary, providing hourly rates, and stating whether employees are covered by collective bargaining agreements.
- An updated data template to be used for EPRC applications in 2025 is expected to be loaded onto IDOL's EPRC landing page by March 31, 2025.
- During the webinar, there were several questions about which hourly rate was appropriate in situations involving shift differentials and other circumstances. It is possible that IDOL will issue additional guidance on this point.
- IDOL provided data showing the following numbers of EPRC approvals by fiscal year (FY): FY 2022—78; FY 2023—793; and FY 2024—3,175.
- These numbers suggest that there will be a great deal of EPRC renewals in 2025 and in the spring of 2026.
- There have been an increasing number of denials of EPRC applications. For instance, in FY 2022, there were 25 denials, while in FY 2024 there were 89 denials. In FY 2024, IDOL revoked 12 registrations.
- IDOL is stepping up enforcement activities, issuing 15 notices of violations in FY 2024 and 63 notices of violations to this point in FY 2025.
- IDOL officials made note of potential error flags that may occur for recertifying employers. These could be triggered by a change in job classification for a given title, a change in entity name, or the departure of an original contact person. They recommended contacting <u>DOL@EPRC@illinois.gov</u> to resolve these errors.
- During the webinar, IDOL officials discussed potentially integrating the required <u>compliance</u> <u>statement</u> into the data upload process so that submission of a separate PDF may no longer be required in the submission process.

In addition to the information provided during the February 13 webinar, IDOL will publish a variety of resources to aid employers in the EPRC application process, including a pay data template, answers to frequently asked questions (FAQs), a template compliance statement, and other resources. These can be accessed through IDOL's EPRC <u>landing page</u>. The next webinar being offered by IDOL is scheduled for March 3, 2025.

As a follow-up to this webinar, IDOL sent an email on February 21, 2025, providing notice to employers that are due to recertify in early 2025 that their deadline is being moved to March 31, 2025. This email stated that IDOL had already requested employers with early 2025 due dates to pause submitting data as updates were being made to the submission portal and filing data requirements. According to the email, IDOL had initially hoped to have everything ready by March 1, 2025. However, the email states that "out of an abundance of caution" IDOL is pushing back the date when all portal and other updates will be ready to March 31, 2025. Based on this change, IDOL is setting the deadline for paused recertification submissions to **March 31, 2025**. The email ends by stating that IDOL thanks employers for their patience as the EPRC is being updated.

Based on these new developments, now may be a good time for covered employers to consider making preparations to deal with these changes to the Illinois EPRC application process—particularly those employers that are required to file an application in 2025.

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