

Office of Federal Contract Compliance Programs (OFCCP) Issues Proposed Rule Requiring Annual Compensation Disclosures

Article By:

Daniel J Davis

The **Office of Federal Contract Compliance Programs** (“OFCCP”) issued a proposed rule this week that would require federal contractors and subcontractors to provide summary information on total W-2 compensation paid to employees by sex, race, ethnicity, and specified job categories, as well as other relevant data points such as hours worked, and the number of employees. The information would be provided on the contractor’s Employer Information Report (EEO-1 Report).

The proposed rule would require that the following information—called an “Equal Pay Report” by the OFCCP—be provided on the EEO-1 Report:

- The total number of workers within a specific EEO-1 job category by race, ethnicity and sex;
- Total W-2 earnings defined as the total individual W-2 earnings for all workers in the job category by race, ethnicity, and sex; and
- Total hours worked defined as the total number of hours worked for all workers in the job category by race, ethnicity, and sex.

The proposed rule would apply to contractors that have more than 100 employees and a contract, subcontract or purchase order of at least \$50,000. The OFCCP is also considering having the proposed rule apply to employers that file the Department of Education’s Integrated Postsecondary Education Data System Report.

According to OFCCP, the goal of the new reporting requirements is to assist the Office in its mission of eradicating compensation discrimination. By requiring additional information, OFCCP plans to increase its ability to discern pay violations under the order.

In the proposed rule, OFCCP states that it plans to use the compensation disclosures “to establish objective industry standards for identifying potential discrimination in employee compensation.” These standards will be published annually. OFCCP will then “use these standards to determine which contractors it will prioritize and schedule for compliance evaluations.”

OFCCP estimates that it will cost \$50 million for companies to comply with the proposed rule.

The notice of proposed rulemaking (NPRM) was issued today, August 6, 2014, and will be published in the Federal Register on Friday, August 8, 2014. Comments will be accepted for 90 days from the date of publication. Additional information from OFCCP can be found [here](#).

© 2025 Proskauer Rose LLP.

National Law Review, Volume IV, Number 218

Source URL: <https://natlawreview.com/article/office-federal-contract-compliance-programs-ofccp-issues-proposed-rule-requiring-ann>