

## Northern California Industry Liaison Group



### OFCCP IMPLEMENTS NEW DATA CRITERIA FOR COMPENSATION ANALYSES

The Office of Federal Contractor Compliance Programs (OFCCP) may require contractors to provide the items listed below to better measure potential contractor compensation issues following Affirmative Action Program submittal during an audit. This newly created OFCCP process assessing contractor compensation practices involves the aggregation of job titles to create large enough groups, known as SSEGs (Similarly Situated Employee Groups), to conduct meaningful statistical analysis by means of Regression Analysis. The letter sent by OFCCP to the audited contractor contains a summary (not included here) of the contractor potential pay problems and a number of commonly asked questions. OFCCP strongly encourages contractors to actively conduct their compensation analysis in a similar manner to avoid potential compensation problems.

For your review and reference, below is an excerpt of a recent letter sent by OFCCP listing their requested compensation data items.

“... While the desk audit findings meet our standards for further investigations, the results should not be regarded as a finding of any problem with your compensation system. The desk audit analysis is rudimentary, and is based on limited information. Therefore, in an attempt to understand better the compensation practices of your company, and to ensure that we complete an accurate investigation, we are requesting that you provide additional data for further analysis and clarification. See 41 CFR 60-1.43.

For the next phase of our investigation, we are requesting that you provide the following information, for *all* employees in your workforce. These items are critical pieces of data that OFCCP needs to evaluate further the compensation differences

noted in the chart above. If possible, please submit the data electronically in Microsoft Excel format.

1. Employee ID number (or suitable ID for matching purposes)
2. Gender (Code as either "Male" or "Female" or 0 for Male and 1 for Female)
3. Race/Ethnicity (White, Black, Hispanic, Asian/Pacific Islander, American Indian/Alaskan Native)
4. Time with company (years and fractional years or months from hire date) or Date of Hire
5. Time in current position (years and fractional years or months from most recent position change) or date of last change in grade/title.
6. Date of birth (this information will be used as a substitute for prior experience outside the company), or if possible, date of last degree earned.
7. Current annual base salary or base hourly wage (excluding overtime, bonuses, incentives).
8. Part-time (please indicate average hours worked in a typical week as readily available) vs. full-time status
9. Exempt vs. non-exempt status\*
10. Job Title
11. Grade level or salary base classification
12. Employee location (if not housed at this facility)

\*If some employees receive a uniform base hourly rate for a specific job, please identify these employees from the rest and describe their compensation system."