

INFORMATION MEMO LABOR AND EMPLOYMENT LAW

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OFCCP's New Pay Transparency Rule: Are You Prepared?

As we reported in the <u>September 17, 2015 New York Labor and Employment Law Report</u>, the <u>Final Rule</u> issued by the U.S. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP) implementing <u>Executive Order 13665</u> (titled Non-Retaliation for Disclosure of Compensation Information), took effect on January 11, 2016. This Executive Order amended Executive Order 11246 by prohibiting Federal contractors from discharging or discriminating against employees or applicants who inquire about, discuss, or disclose their own compensation or the compensation of another employee or applicant.

The new Rule applies to Federal contractors who enter into or modify existing covered Federal contracts greater than \$10,000, on or after January 11, 2016. The new Rule also requires Federal contractors to: (1) revise the "equal opportunity clause" to include the new non-discrimination provision in contracts, subcontracts, and purchase orders; (2) incorporate an OFCCP-prescribed non-discrimination provision into existing employee manuals and handbooks; and (3) disseminate the non-discrimination provisions to employees and job applicants.

The OFCCP has created **two versions** of the mandatory non-discrimination provision:

- One formatted with the OFCCP's logo and contact information to be posted electronically or printed and posted on an employer's premises.
- A second version which includes only the required language. At a minimum, Federal contractors must use this prescribed language.

With the Final Rule already in effect, contractors should ensure their policies are in compliance with the non-discrimination provisions, make sure the OFCCP non-discrimination provision is included in handbooks or manuals and disseminated to employees and applicants, and ensure their "equal opportunity clause" in contracts, subcontracts and purchase orders is in compliance.

To learn more, contact Larry P. Malfitano at 315.218.8331 or lmalfitano@bsk.com.





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