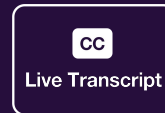




What Total Rewards Needs to Know About the OFCCP's New Audit Requirements

We will begin shortly.

This webinar is being recorded and will be shared with all registrants.



We have live transcript enabled for this webinar. If you would like to use this feature, please turn on this setting in your Zoom toolbar now.

Agenda

- 01 Intro & housekeeping
- 02 Overview of OFCCP scheduling letter changes
- 03 How Syndio supports





Our mission is to build expert-backed technology that helps companies measure, achieve, and sustain workplace equity.



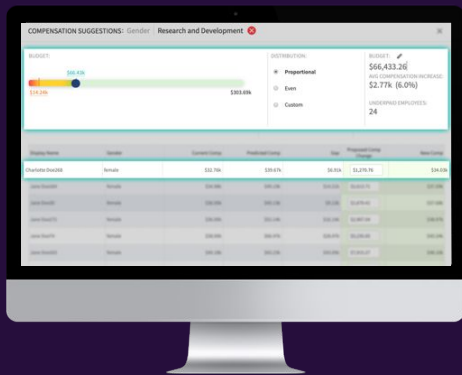
Workplace Equity Analytics Platform

Enterprise platform to analyze, resolve, and prevent disparities in pay and opportunities



Expert Support and Consulting

Legal best practices, statistics, reporting, and communications guidance and support



275+ industry leaders trust Syndio

including 30% of Fortune's Most Admired Companies



Speakers



Christine Hendrickson
VP of Strategic Initiatives



Olya Evanitsky
Director of Product, PayEQ



**What changes with
the new scheduling
letter and how does
it impact Total
Rewards and other
PayEQ® users?**



OFCCP's New Audit Requirements

New Scheduling Letter + Itemized Listing

Employers who provide goods or services to the federal government (\$50K and 50 employees) are required to prepare Affirmative Action Plans (AAPs) and subject to audit by the U.S. Department of Labor's OFCCP, which includes the majority of Syndio customers

OFCCP audits are kicked off with a scheduling letter and itemized listing, outlining the documents and materials that employers must submit to the OFCCP within 30 days of the audit

On August 25, 2023, OFCCP announced the implementation of the **revised Scheduling Letter and Itemized Listing**, which "applies to supply and service compliance evaluations scheduled on or after August 24, 2023"

Source



Changes with scheduling letter



What changes should Total Rewards leaders and other PayEQ users expect?

Changes supported by PayEQ are our focus today



What else changed with the scheduling letter and itemized listing?

Other changes



“Other changes”, as examples

Employers with a “[campus-like setting](#)” who maintain multiple AAPs, must submit **all AAPs developed for the campus** (this is important for Total Rewards and not just for higher ed)

OFCCP **joins the information age:**

- Scheduling letters can be sent by email, instead of certified mail
- Can be submit electronically or uploaded to secured transfer service (Kiteworks)
- OFCCP asking about use of AI for “recruiting, screening or hiring”

Send coffee to your talent management and talent acquisition colleagues, too. **OFCCP has renewed focused on promotions, outreach, and efforts taken to remove barriers.** Must provide documentation and policies related to promotions and optional information about whether a promotion is competitive or non-competitive. Also will need to provide more information about outreach efforts and efforts taken to remove barriers



Want to go deeper into the weeds into all of the changes?

OFCCP has a good 19-minute training primer that gets into the nitty-gritty of all the changes to the scheduling letter and itemized listing.

> Available online in [OFCCP training portal](#)



Five new OFCCP audit requirements that impact Total Rewards and PayEQ users

01

Electronic submission remains the name of the game

“For each snapshot, provide a single file that contains for each employee, at a minimum, **employee name or** numerical ID, gender, race/ethnicity, hire date, job title, EEO-1 category and job group. If the requested data **is** maintained in an **accessible** electronic format, **please provide it electronically.”**

(We are starting off easy, but PayEQ can help here, too)



02

| Two years of pay data now required

“Employee level compensation data for all employees (including but not limited to full-time, part-time, contract, per diem or day labor, and temporary employees) as of (1) the date of the organizational display or workforce analysis and **(2) as of the date of the prior year’s organizational display or workforce analysis.**”

(More data = the need for more and more flexible analysis)



03

More data and upfront precision on pay impacting factors

~~“You may provide any additional data on factors used to determine employee compensation~~ Provide relevant data on the factors used to determine employee compensation such as education, ~~past~~ experience, time in current position, duty location, geographical differentials, performance ratings, department or function, job families and/or subfamilies, and salary level/band/range/grade.”

(This is a more Total Rewards informed OFCCP. Pay explainability is the name of the game. Must know the factors that drive pay at start of audit)



Employee-Level Data that Must Be Provided to OFCCP

The Previous “Musts” (1 year of data)	The New “Musts” (2 years of data)
<ul style="list-style-type: none">- Employee ID- Gender and Race/ethnicity- Hire date- Job title- EEO-1 category- AAP Job group- Compensation data- Everything else was optional	<ul style="list-style-type: none">- Employee ID- Gender- Race/ethnicity- Hire date- Job title- EEO-1 category- AAP Job group- Compensation data- Factors used to determine employee compensation like education, past experience, time in current position, duty location, geographical differentials, performance ratings, department or function, job families and/or subfamilies, and salary level/band/range/grade



03

(and a half)

More data and upfront precision on pay impacting factors

“Base salary and/or wage rate, annualized base compensation, and hours worked in a typical workweek. Other compensation or adjustments to salary such as, but not limited to, bonuses, incentives, commissions, merit increases, locality pay or overtime should shall also be identified separately for each employee.”

(OFCCP is done with “shoulds” – these are now musts)



04

OFCCP looking for more Total Rewards policies and documents

“Provide documentation and policies related to **the contractor’s** compensation practices, **including** those that explain the factors and reasoning used to determine compensation **(e.g., policies, guidance, or trainings regarding initial compensation decisions, compensation adjustments, the use of salary history in setting pay, job architecture, salary calibration, salary benchmarking, compensation review and approval, etc.)**.”

(Action item list: start a folder with these items)



05

New upfront requirement to prove you conducted the annual pay equity analysis

“Documentation that the contractor has satisfied its obligation to evaluate its ‘compensation system(s) to determine whether there are gender-, race-, or ethnicity-based disparities,’ as part of the contractor’s ‘in-depth analyses of its total employment process’ required by 41 CFR 60-2.17(b)(3). Include documentation that demonstrates at least the following:

- a.** When the compensation analysis was completed;
- b.** The number of employees the compensation analysis included and the number and categories of employees the compensation analysis excluded;
- c.** Which forms of compensation were analyzed and, where applicable, how the different forms of compensation were separated or combined for analysis (e.g., base pay alone, base pay combined with bonuses, etc.);
- d.** That compensation was analyzed by gender, race, and ethnicity; and
- e.** The method of analysis employed by the contractor (e.g., multiple regression analysis, decomposition regression analysis, meta-analytic tests of z-scores, compa-ratio regression analysis, rank-sums tests, career-stall analysis, average pay ratio, cohort analysis, etc.).”



Three ways you can “prove” it to the OFCCP (and still maintain privilege)



Redacted version
of your compensation
analysis



Detailed affidavit
that summarizes
analysis details



Dual analysis,
non-privileged
submission to OFCCP

Syndio Supports all Three Methods



**How can you
comply with these
new requirements
with Syndio?**

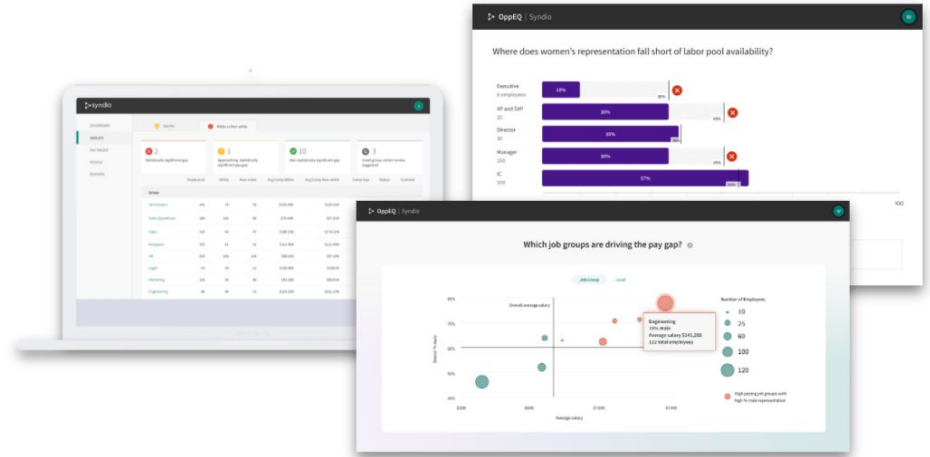


Q&A



Syndio gives you the tools to measure and analyze all facets of workplace equity

- Analyze equity in pay, promotions, performance assessments, and more
- Build a data-driven strategy for reducing median pay gaps
- Set competitive, equitable, and explainable salary ranges
- Communicate about diversity, pay, and opportunity equity with data you can trust



Request a 1:1 demo

SYNDIO.COM/DEMO





Thank you

To learn more about Syndio, visit us at syndio.com

© 2023 Syndio. All rights reserved. No images or information in this document may be reproduced, transmitted, or copied without express prior written permission from Syndio.

