

AMERICAN PAYROLL ASSOCIATION

August 31, 2021

Mr. Robert Parrilli
Division Manager, Conciliation and Mediation
Illinois Department of Labor
900 Spring Street
Springfield, IL 62704
Robert.parrilli@illinois.gov

Re: Offer of assistance and concerns regarding reporting requirements in provisions of Illinois S.B. 1480 (Pub. Act 101-0656), as revised by S.B. 1847 (Pub. Act 102-0036), amending the Equal Pay Act of 2003

Dear Mr. Parrilli:

The American Payroll Association (APA) requests an opportunity to collaborate with the Illinois Department of Labor (IDOL) with regard to provisions of S.B. 1480, as revised by S.B. 1847, which amend the Equal Pay Act of 2003 to add equal pay registration certificate requirements. We believe that we can be helpful in partnering with Illinois to develop the reporting requirements. The APA is concerned about the transition to any new or expanded reporting system and the implementation burden placed on payroll management.

About the American Payroll Association

The APA is a nonprofit professional association representing more than 20,000 payroll professionals in the United States. APA's primary mission is to educate its members and the payroll industry regarding best practices associated with paying America's workers while complying with applicable federal, state, and local laws. In addition, APA's Government Relations Task Force (GRTF) works with the legislative and executive branches of government to find ways to help employers satisfy their legal obligations, while minimizing the administrative burden on government, employers, and individual workers.

Offer of Assistance

The APA understands and supports the important goal of ensuring equal pay with the collection of accurate wage data. S.B. 1847 § 11 provides employers with a range of between March 24, 2022, and March 23, 2024, to apply for an equal pay registration certificate. This schedule does not offer payroll professionals, their employers, payroll

service providers, and IDOL much time to upgrade or create electronic management systems to collect and report employee data. APA can facilitate the IDOL's work with payroll professionals and their employers to clarify requirements and raise awareness.

Additional Information Deemed Necessary

The APA is concerned about implementation of a provision in S.B. 1847 § 11(c) that appears vague in reference to reporting pay data: "any other information the Department deems necessary to determine if pay equity exists among employees." The required "other information" reporting could be inconsistent with federal and state equal pay laws. For example, data collection in the EEO-1 report is contained in broad categories without a determination about whether individuals in the same workplace are performing equal work for equal pay as required by the federal Equal Pay Act and Title VII of the Civil Rights Act. This raises questions about how Illinois plans to use the data.

With pay data collected in the initial registration and then every two years after, the potential for added data elements from S.B. 1847 § 11(c) could lead to high costs for employers. This includes updating payroll data management systems and rebuilding interface systems between employer departments responsible for different data elements, such as human resources and payroll, as well as interface systems to load the information into Illinois reporting systems. These types of electronic management changes can take at least six to nine months to design, code, test, and implement.

The APA requests clear parameters on what the IDOL envisions as "other information" and whether IDOL expects to add this information request for all employers or only on a case-by-case basis, and if changes will be made every two years following the initial registration. The APA believes that we can assist the IDOL with clarifying this requirement.

How pay data is used and publicly presented can create unwanted publicity for payroll professionals and their employers even when in compliance with equal pay laws, which can lead to frivolous lawsuits. Payroll professionals are frequently part of employer teams to address labor compliance, ensure employees are treated fairly, and maintain business competitiveness. Therefore, the APA has an interest in how IDOL plans to collect and use pay data. We can assist IDOL in identifying its data needs while preserving the important role that payroll professionals play in compliance.

We are mindful that the decisions by the IDOL about these important questions will set precedent for other states. APA members have extensive experience in reporting wage and other workforce information to every state workforce agency across the United States as well as the Internal Revenue Service and Social Security Administration. As such, we know

it may be difficult to train every employer who fits the requirements, to effectively report the necessary information.

The APA would welcome the opportunity to partner with Illinois in developing solid reporting requirements. Please contact Alice Jacobsohn at 202-669-4001 or ajacobsohn@americanpayroll.org.

Sincerely,

A handwritten signature in black ink that reads "Alice P. Jacobsohn". The signature is written in a cursive, flowing style.

Alice P. Jacobsohn, Esq.
Director, Government Relations

For Cochairs, GRTF State and Local Topics Subcommittee:

Pete Isberg

Carlanna Livingstone, CPP

Bruce Phipps, CPP