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EEOC Opens 2024 EEO-1 Data Collection – With a Title VII Compliance Reminder

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The Equal Employment Opportunity Commission (EEOC) recently opened its 2024 EEO-1 Component 1 data collection portal and announced that covered employers have until June 24, 2025, to submit and certify their EEO-1 reports.

Reporting changes

A requirement since 1966, private employers covered by Title VII of the Civil Rights Act of 1964 that have 100 or more employees are required to annually submit certain workforce demographic data to the agency, including the number of individuals by job category, sex, and race or ethnicity. Certain federal contractors also are required to file EEO-1 Component 1 data if they have 50 or more employees and are otherwise not exempt from the requirement.

This year, as part of a "cost savings" effort, the agency announced that there will be a shorter collection period to file 2024 reports, noting that the period will not extend beyond the June 24 deadline. The agency stated that no reports will be acted on after this date, and employers missing the deadline will be deemed noncompliant. In addition, the agency announced that beginning with this year's collection, all communications from the agency to filers will be electronic, and no notifications will be sent to filers via postal mail.

Unlike in prior years, the agency has now eliminated the optional reporting of nonbinary employee data, in response to President Donald Trump's January 20, 2025, Executive Order 14168, "Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government," which announced the policy of the US to recognize two sexes – male and female. The instruction booklet now states, "[t]he EEO-1 Component 1 data collection provides only binary options (i.e., male or female) for reporting employee counts by sex, job category, and race or ethnicity."

A reminder of Title VII compliance obligations

The EEOC's announcement was accompanied by a reminder from acting Chair Andrea Lucas regarding employers' compliance obligations under Title VII, which prohibits taking "any employment actions, based on, or *motivated in whole or in part by*, an employee's race, sex, or other protected characteristics." To that end, Lucas warned that companies "may not use information about [their] employees' race/ethnicity or sex ... to facilitate unlawful employment discrimination." Lucas stated, "[d]ifferent treatment based on race, sex, or another protected characteristic can be unlawful discrimination, no matter which employees or applicants are harmed. There is no 'diversity' exception to Title VII's requirements." This announcement serves as a reminder to employers that using employee demographic data to discriminate or treat any employee differently based on any protected characteristic is prohibited under Title VII. This message expands on the <u>EEOC's March 2025 guidance</u> regarding "DEI-related discrimination" at work.

The agency also announced its alignment with Trump's April 23, 2025, executive order "<u>Restoring Equality of Opportunity and</u> <u>Meritocracy</u>," which directed agencies to deprioritize "disparate impact" enforcement, including investigations and lawsuits that challenge neutral practices that have unequal outcomes based on race, sex or other protected characteristics. As we noted in <u>this April 29 Cooley alert</u>, under the disparate impact theory, facially neutral policies and practices may violate applicable antidiscrimination law if they have a disproportionate negative or adverse impact on members of protected classes. The announcement notes that "the fact that a neutral employment policy or practice has an unequal outcome on employees of a particular race or sex ... does not justify your company or organization treating any of your employees differently based on race or sex." Although disparate impact theory is embedded in the Title VII regulations and has been applied by federal and state courts, the agency's announcement indicates that it will instead focus its enforcement efforts on remedying intentional discrimination claims. Employers should note, however, that disparate impact liability remains a viable theory of employment discrimination under federal and state law.

Next steps

In light of the short window of time to submit EEO-1 data this year, and no availability of any extension, employers should promptly review their demographic data and prepare and submit their reports online. Employers also should continue to monitor for electronic communications from the agency.

Employers with questions about EEO-1 data collection obligations should contact their Cooley employment lawyer or one of the lawyers listed below.

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Key Contacts

Wendy Brenner	brennerwj@cooley.com
Palo Alto	+1 650 843 5371
MaryBeth Shreiner	mshreiner@cooley.com
Reston	+1 703 456 8169
Selin Akkan	sakkan@cooley.com
Palo Alto	+1 650 843 5076

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