



FP Snapshot on Manufacturing Industry: 3 Things Employers Need to Know Before Filing Your EEO-1 Reports

Insights

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Welcome to this edition of the FP Snapshot Manufacturing Industry, where we take a quick snapshot look at recent significant workplace law developments with an emphasis on how they impact employers in the manufacturing industry. This edition is devoted to refreshing manufacturing employers on three critical points as you handle your annual EEO-1 report filing, which you will need to do in the coming weeks.

Snapshot Look at EEO-1 Reports

Private employers with at least 100 employees – or federal contractors with at least 50 employees – are required to annually file EEO-1 reports with the Equal Employment Opportunity Commission. An EEO-1 report provides company demographic data by displaying the number of individuals employed by job category and sex and race or ethnicity. Typically, EEO-1 reports must be submitted and certified no later than March 31, but the data timeframes and submission deadlines have been subject to change since 2018. As a result, the **2022** EEO-1 Component 1 data collection window opened on October 31 and runs through December 5.

For a deeper dive into the situation, you can read our [full Insight here](#).

What 3 Things Do Manufacturers Need to Know?

There are three key points that manufacturers should consider when preparing your EEO-1 reports.

1. **There may be severe consequences for federal contractor manufacturers who fail to file their EEO-1 reports.** Manufacturers with federal contracts or subcontracts totaling more than \$10,000 are subject to Executive Order 11246. If you have 50 or more employees, you are also required to file EEO-1 reports if you have either a direct contract with a federal executive branch agency or if you are a first-tier subcontractor with a qualifying contract. As such, you could risk the federal government terminating your contract and prohibiting you from being granted future federal contracts if you fail to file your EEO-1 reports and refuse to correct the failure to file.
2. **Manufacturers do not need to count “leased employees” toward their 50 or 100 employee threshold.** This is an important point for you to know since so many employers in the manufacturing industry deploy leased labor. As laid out in the 2022 EEO-1 reporting instruction

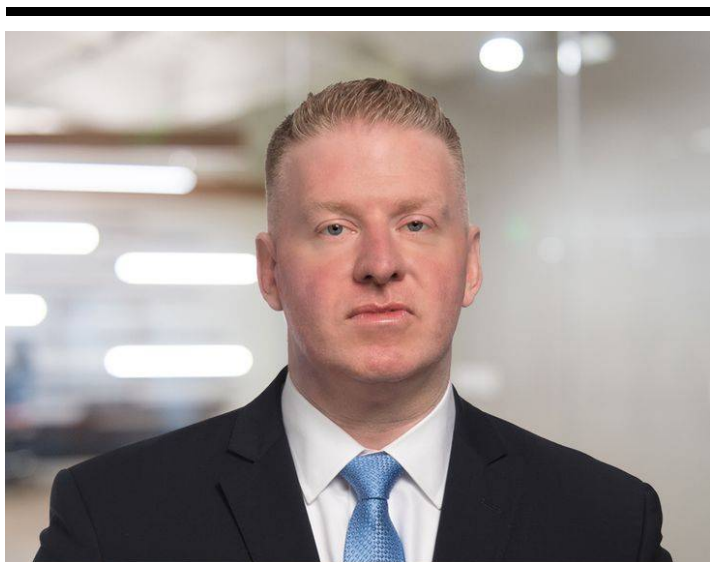
booklet, a leased employee means a permanent employee provided by an employment agency for a fee to an outside company for which the employment agency handles all personnel tasks including payroll, staffing, benefit payments and compliance reporting. Leased employees will be accounted for on the employment agency's EEO-1 report. Note also that temporary workers are also not counted toward a manufacturer's 50 or 100 employee threshold.

- 3. The number of EEO-1 reports filed will depend on the number of establishments in your business.** If you only operate one establishment, you are required to submit and certify one EEO-1 Single-Establishment Employer Report. But if you have more than one establishment, you must file a Consolidated Report, a Headquarters Report, and Establishment-Level Reports. The Establishment-Level Reports replace the prior Type 4 and Type 8 reports. Establishments at different physical locations must be reported as separate establishments, even if conducting the same business or performing the same services or industrial operations.

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