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HR Learning Session

US Pay Equity Laws and Salary History Bans

October 18-19, 2017

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Agenda

- About HR Learning Sessions
- Today's Topic:
  - US Pay Equity Laws and Salary History Bans
  - Presenters
    - Emily Sullivan, managing counsel
    - Elena Raymond, manager, OTA Global Recruitment Learning & Enablement
    - Kris Edwards, director, US Compensation
- Upcoming Sessions

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About HR Learning Sessions

HR Learning Sessions are designed to

- Enable you with information about HR topics, tools and initiatives that support HR and business goal achievement
- Provide you with a brief topic introduction – Today's session is 30 minutes
- Continue the discussion through this topic's OSN conversation
- Be available on demand afterwards via recordings in OTube
- Keep the education coming
  - Visit the OSN Collection to stay informed about current and upcoming sessions: https://osn-fusioncrm.oracle.com/osn/fc/Client?conversation=5187971

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US Pay Equity Laws

Overview of Salary History Ban Provisions in Equal Pay Legislation and Implementation (What to Expect)

Compensation Practices Project Team
October 18-19, 2017

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Changes in US-Based Legislation

Equal Pay Laws

- Federal
  - Equal Pay Act
- State
  - California Fair Pay Act (January 2016)
  - N.Y. Women's Equality Agenda (January 2016)
  - Since 2015, 20 other states and cities introduced or enacted new pay legislation

Non-Disclosure of Candidate Salary History

- Puerto Rico (March 2017)
- Philadelphia, PA (originally May 2017; on hold)
- Oregon (September 2017)
- New York City, NY (October 31, 2017)
- Delaware (December 2017)
- California (January 2018)
- Massachusetts (July 2018)
- San Francisco, CA (July 2018)

New US-based legislation requiring change to our pay practices

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Impact-at-Glance: US Pay Equity Laws & Salary History Question Bans

Locations

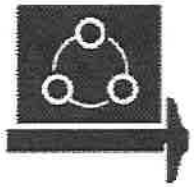
Various states and local municipalities have passed laws affecting comp practices. More coming…

Scope

Differences across legislation includes salary definition, prohibited and allowable actions, etc.

Risk

Litigation, fines*, reputation, competition, complexity of incremental compliance/change implementation



Actions

Requires one broad approach US wide with changes to policies, practices, communications, systems, mindsets, and behavior

*Grace period for fines varies by jurisdiction

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Business Decision: One Approach US-Wide

Due to the varying laws and the risks of non-compliance with a fragmented approach, Oracle decided to do one uniform, US-wide rollout of changes.

- ✓ **One System**
- ✓ **One Practice**
- ✓ **One Approach**

Effective October 31, 2017

Re-frame manager/candidate compensation conversations:

- Focus on pay expectations, vs. actual pay history
- No Oracle employee or agent will ask a candidate for his/her current or past salary when hiring for a US work location
- Require more thorough documentation of job classification and pay decisions (starting pay, pay increases, retention pay increases, bonuses, and equity grants)

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Supporting the New Legislation in the Hiring Process

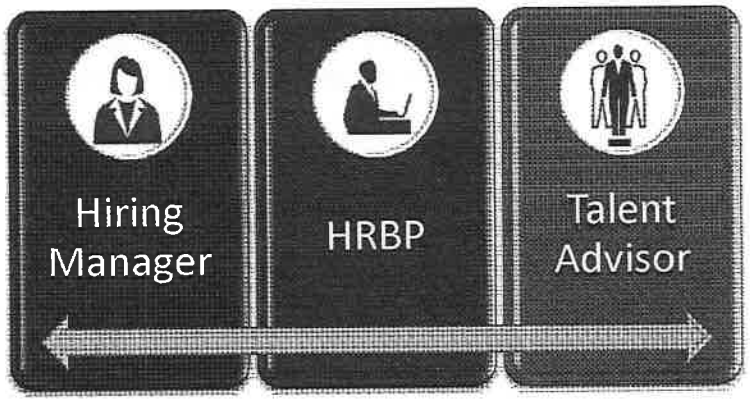
What is changing

- Only change is NOT asking candidates for current or prior salary
- Removed current salary field from offer form in iRecruitment (Sept. 23)
- Modified Candidate Profile Summary used by Talent Advisors for screening

Please support the change across the business—you are the advocate for this legislation

What is NOT changing

- Continue to ensure successful hiring through a strong partnership in the hiring process between Hiring Managers, HRBPs, and Talent Advisors



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Reframing the Candidate Salary Question

What you used to say

- What is your current salary?
- In your current sales role, what are your annual earnings?
- Are there any other data points I should have as I move forward to obtain the appropriate approvals to make you an offer? (This might be considered prompting for a response to salary.)

What you can say now

- What are your expectations regarding salary?
- What is your expected Total Compensation?
- What is your current (or recent past) sales attainment percentage? How did you rank in sales compared to your peers?
- To meet your salary expectations, at what point (dollar-wise) would you accept our hiring offer? At what point might you reject an offer?
- What financial benefit would you forego in order to accept this role (e.g., unvested equity or a future bonus through a current employer)?

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Assessing the Value of a Job for an Offer

Factors in determining pay for a job

- Salary Range
- Job and Career Level
- Experience
- Location
- Specialized skills
- Competitive market

Other compensation components

- Variable Pay Target
- Equity
- Internal pay equity (what do others in this role make?)
- General salary expectations from other candidates

Other Considerations

- How does the candidate fit into the mentioned factors and other compensation components?
- Do the candidate's salary expectations align with yours?

CONSIDERATIONS

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Phase 1 Communications – Major Milestones

October 16 - 20	October 23-27	October 30 – Nov 3
• Joyce communicates with directs to explain project and Phase 1 actions • HR Learning Session is held • Post-session follow up email sent to HRBPs, Recruiting, GHRS • Ongoing: project team responds to HR questions in HR-only OSN conversation • Dorian and Joyce message to Mark, Larry, Safra direct reports	• Oct 25: Initial announcement to all managers of US employees • Oct. 26: Oracle HR sends detailed announcement with resources to all managers of US employees	• Oct. 31: New practices go live

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Upcoming Details

Resources to Address the Legislation

RESOURCES

- HR-only OSN conversation: Ask your questions and share feedback
- US Pay Equity FAQ for Managers and HR: Provides answers to what we anticipate will be our most frequently asked questions; will be updated as needed
- Role Checklist for a Successful Hire – New US Legislation: Outlines the partnership of the Hiring Manager, HR Business Partner and Talent Advisors to achieve optimum hiring success

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Next Steps

What we're working on to support adoption of this change

- Ongoing communication, training and tools for both HR and Managers

What you can do

- Support the change across the business – you are the advocate for positive change
- Identify updates needed: Are you aware of any documentation that indicates or requests the use of a candidate's prior salary?
  - If yes, identify and report this information via the HR-only OSN conversation to ensure the information is updated and revised to be consistent with Oracle's new approach
- Ask questions and share ideas within the HR-only OSN conversation

CHANGE MANAGEMENT

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Upcoming HR Learning Sessions

November 14: Sales Intelligence (SI) Headcount Tool Overview

November 28: Oracle Learning Paths—Enabling Employee Success and Career Development

Look for new session announcements in Compass newsletters and emailed calendar invitations

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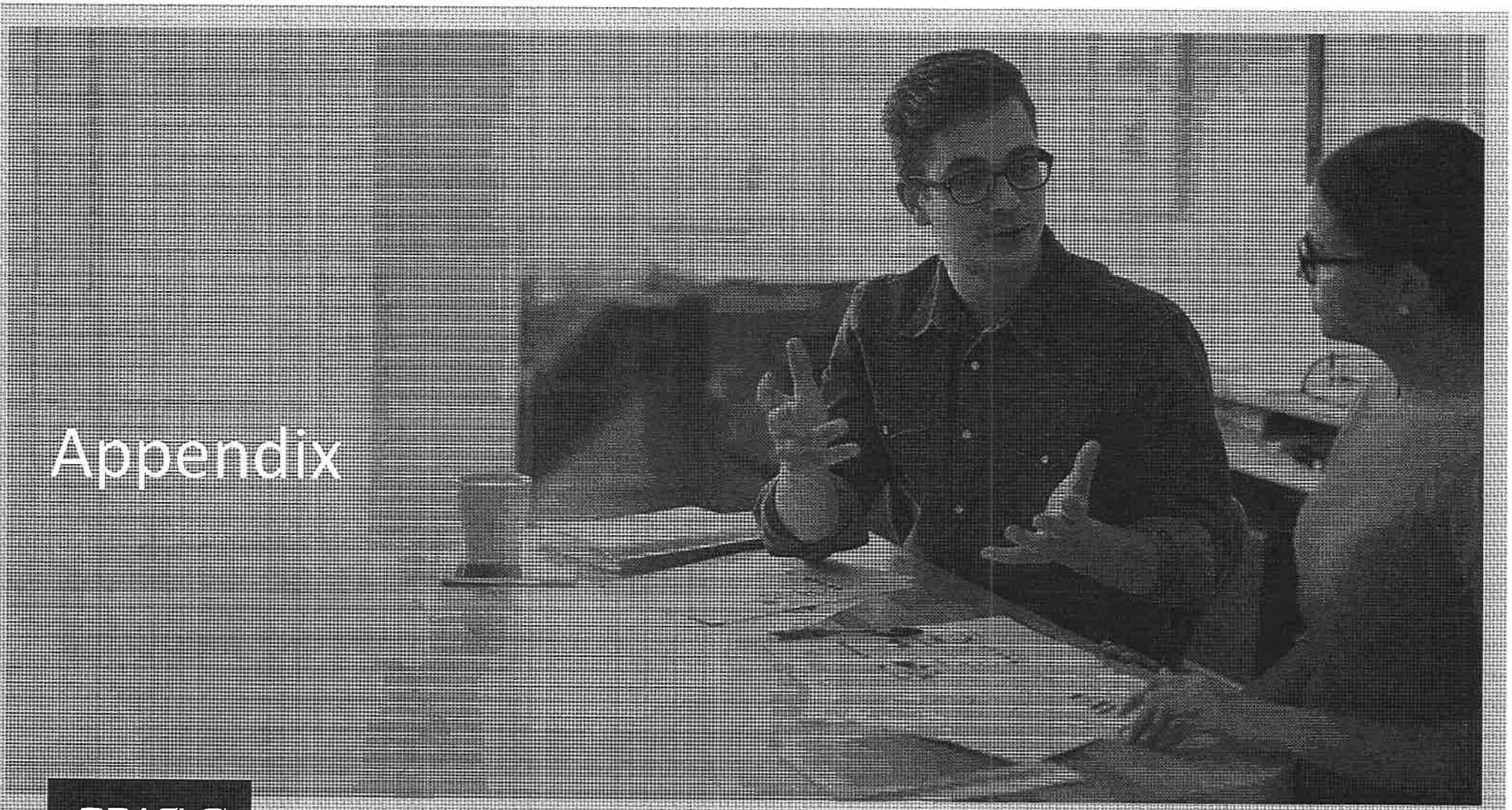
Appendix



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Salary History Question Bans – Locations/Effective Dates

Updated on October 13, 2017

Known Areas Impacted	Effective Date
Puerto Rico	3/8/2017
Philadelphia	5/23/2017 (currently on hold)
Oregon	9/1/2017
New York City, NY	10/31/2017
Delaware	12/1/2017
California	1/1/2018
Massachusetts	7/1/2018
San Francisco, CA	7/1/2018
Under Consideration Maine, Maryland, New York State, Pennsylvania, Rhode Island, Vermont	
Vetoed by Governor: New Jersey, Illinois	

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Compensation Practices Project Committee

These stakeholders have been collaborating to support the Phase 1 implementation of this legislation, and will continue to provide support

Role	Functional Area	Name
Executive Sponsor(s)	HR Legal	Joyce Westerdahl Dorian Daley
Steering Committee / Project Sponsor(s)	HRBP Recruiting Compensation Legal	Vickie Thrasher Jonn Nolitt Phil Jenish Juana Schurman
Project Leaders	Compensation Legal	Kris Edwards Emily Sullivan
Working Team / Subject Matter Experts	HRBP Recruiting Compensation Communications	Noreen Cox, Rachel Lapierre Amanda Gill, Carla Foster Jana Lathrop (Project Manager) Kirstin Ward, Andrea Kainz, and Mickey Melamud
Others Key Leaders or Specialty Areas	HR Systems & OTD Outside Counsel HRIS Global Leaders OTD	Anje Dodson Gary & Erin Dawne Rager TBD TBD for Phase 2

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