August 1, 2018

COMPLIANCE ALERT – Salary Restrictions & Documents

Dear Valued Client:

Previously, I wrote to you regarding new procedures and practices here at Driver iQ regarding two important and advancing recruiting and human resource issues:

1. Requesting salary history from applicants, and
2. Provisioning of documents to satisfy employment verification.

The promulgation of new legislation restricting and preventing the collection of prior salary information continues to expand; shortly Connecticut, Vermont and possibly Maryland will be added to the list of jurisdictions restricting the collection of such information in the employment application process. Driver iQ continues to follow these new developments and advise its clients of best practices in dealing with such.

Previously we advised that Driver iQ would be removing any reference or request for salary history to its standard application or data entry collection in its onboarding portal for all jurisdictions. Furthermore, Driver iQ no longer inquires or verifies salary history information as part of its standard employment verification protocols. Given the restrictions, across all jurisdictions, Driver iQ will not be making any salary inquiries and will not be reporting any salary information regardless of whether the program is pre or post offer.

However, for a number of reasons and after consultation with our clients, we are now offering variations to our verification services as it relates to the attachment of documents which may indicate prior salary, for example IRS W-2 forms. In or last communication we indicated that we would redact these documents prior to attaching. After consulting with our clients, many of our clients in highly regulated industries who engage our services in a post-offer employment status have requested that the information be provided with salary information indicated or un-redacted; to better serve these and other clients we have altered our procedures to allow for the reporting of these documents with un-redacted salary information.

Driver iQ will now be offering the following variations:

1. For those clients operating their candidate screening programs in a PRE-offer mode:
    a. Driver iQ will NOT attach any documentation collected as part of the employment verification process which indicates salary information, <u>OR</u>
    b. For a fee, Driver iQ will attach the document only if it first redacts or obliterates the salary history information so that it cannot be interpreted.
2. For those clients operating their screening programs in a POST-offer mode:
    a. Driver iQ will, upon request and direction, attach the documents to the background screening report with the salary information un-redacted.

The standard operating procedures for Driver iQ in dealing with this will be:

- PRE – Offer employment program = no attachment of documents with salary info
- POST-Offer employment program = attachment of documents with un-redacted salary information.

Please contact your Client Service Representative here at Driver iQ to discuss your needs as it relates to salary history and document attachments.

Best Regards,

Bruce E. Berger, CCEP
Chief Compliance Officer
Vice President & Corporate Secretary