

California leads on pay equity, but additional protections on the way, Daily Journal

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The U. S. House of Representatives has passed a bill, now in the Senate, which seeks to ensure employees are compensated without regard to sex. The Paycheck Fairness Act (H.R. 7, 116 Cong.) has been proposed but never enacted in earlier congresses. Key aspects of the bill were the foundation of the California Fair Pay Act which was signed into law in 2015. Employers in California may have additional reporting requirements if the federal law is passed, but will have to make relatively few changes because the federal act has so much overlap with existing state law. The principal impact could be found in the new law's requirement that employers with more than 100 employees will have to start reporting otherwise confidential pay and workforce demographic data to the U.S. Equal Employment Opportunity Commission as a matter of course.

The federal legislation which passed the House is very similar to California law: It also prohibits asking a job candidate for historic salary data. And it also exposes employers to liability unless they can show that any wage gap between men and women is the result of a non-sex, business-based differential.