

Pay Equity Issues & Insights Blog



Pay Equity Legislation: Not Just Gender Anymore

By *Kristina M. Launey*

From high profile cases in Hollywood to the Silicon Valley, to high-profile legislation, gender pay equity has been top of the news in the past year. On January 1, 2016, the California Fair Pay Act — widely publicized as the toughest (gender) pay equity law in the nation — became [effective](#). Other states ([Massachusetts](#), [New Jersey](#), [New York](#)) and even the [EEOC](#) have since pursued similar action, through various means. Just as companies are struggling to get a handle on the new gender pay equity requirements, the California Legislature (not unexpectedly) is looking to expand the law further.

Just two days ago, on February 16, 2016, California Senator Isadore Hall (D-South Bay) introduced [Senate Bill 1063](#), dubbed the “Wage Equality Act of 2016,” which seeks to extend last year’s Fair Pay Act amendments virtually verbatim to Labor Code section 1197.5 to race and ethnicity. As such, SB 1063 would prohibit employers from paying employees a wage rate less than the rate paid to employees of a different race or ethnicity for substantially similar work.

The Fair Pay Act was billed as the toughest equal pay law in the U.S. — but it only addressed gender. Senator Hall noted that despite last year’s legislation, “the 65 year old California Equal Pay Act fails to include one of the largest factors for wage inequity — race and ethnicity.” The Wage Equality Act of 2016 is again being touted as creating (an even stronger) strongest wage equality law in the nation.

In support of the bill, Senator Hall press release [cites](#) a “2013 study by the American Association of University Women [which] revealed that Asian American women make 90 cents, African American women make 64 cents, and Hispanic or Latina women make just 54 cents for every dollar that a Caucasian man earns. The wage gap isn’t only between men and women, as African American men earn just 75% of the average salary of a Caucasian male worker.”

The bill’s sponsor is the California National Organization of Women (“NOW”) — a group that [opposed](#) last year’s Fair Pay Act because it did not include protections for wage discrimination for categories such as race, ethnicity, LGBTQ, and disability status, that are protected under other anti-discrimination laws. Since the California Equal Pay Act places a different of burden of proof on employers, CA NOW thought it wrong to deny certain employees full protections under the new legislation.

The bill may be acted upon after March 18, 2016. We’ll continue to monitor it and other new legislation through the process and keep you, loyal readers, posted.

www.seyfarth.com

Attorney Advertising. This European Employment Law ALERT is a periodical publication of Seyfarth Shaw LLP and should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have. Any tax information or written tax advice contained herein (including any attachments) is not intended to be and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. (The foregoing legend has been affixed pursuant to U.S. Treasury Regulations governing tax practice.)

Seyfarth Shaw LLP Pay Equity Group ALERT | February 18, 2015

©2016 Seyfarth Shaw LLP. All rights reserved. “Seyfarth Shaw” refers to Seyfarth Shaw LLP (an Illinois limited liability partnership). Prior results do not guarantee a similar outcome. #16-3329 R1