

# WHY MANAGERS SHOULD CARE ABOUT CALIFORNIA'S NEW PAY LAW — AND NOT JUST IN CALIFORNIA

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Jim McDonald was quoted in *Fortune* on October 24, 2015. The article "Why Managers Should Care About California's New Pay Law — and Not Just in California" discussed how at a glance, the California Fair Pay Act (SB 358), effective on January 1, 2016, looks a lot like every other equal-pay statute in the U.S., including the federal version. But look a little more closely, and it's clear why employment law firm Fisher Phillips calls this "the most aggressive equal pay law in the nation."

Jim was quoted on his take of the new law which calls for pay equity among employees whose jobs are "substantially similar," meaning roughly equal "when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions.

No longer having to prove they're paid less than someone else doing an exactly identical job "provides a rather easy standard for employees to satisfy" to file a suit or a complaint with state regulators, noted Jim.

Under the old law, companies could simply point to differences in education, training, or experience. "Say, for example, that one employee has a master's degree and another doesn't," said Jim. "That used to be enough to explain a gap in compensation. But now, the burden is on the employer to show why a master's degree is a necessity for the job. That hasn't been explicit until now. It's a much higher standard."

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Legal departments are asking managers to spell out “the actual day-to-day content of each job, not just what the formal job description says,” observed Jim.

“Efforts to get something like this through Congress have so far gotten nowhere,” noted Jim. “So more states are likely to consider adopting laws similar to California’s.” It wouldn’t be the first time.

To read the full article, please visit [Fortune](#).