



Flurry Of Pay Equity Activity Forces Employers To Roll With The Punches

Insights

3.01.17

Pay equity issues have already dealt a one-two punch to employers early in 2017: first a lawsuit brought against an automotive giant, and then a million-dollar settlement between another employer and a group of its workers. Meanwhile, legislative activity has already cropped up in local jurisdictions across the nation, indicating the pay equity boxing match between employees and employers is only in its early rounds.

Politicians and plaintiffs are moving quickly, so you need to pay attention to pay equity issues and adjust to the new reality or risk ending up the next employer to get knocked out.

Worker Throws Punches In Federal Court

On January 11, 2017, a clay modeler filed a federal lawsuit in Michigan against General Motors (GM), asserting violations of the Equal Pay Act. Heather Anger alleges the company failed to pay her as much as male coworkers performing the same or similar duties. She also claims male coworkers received bonuses that she did not, were afforded more consistent work assignments, and moved up the ranks in less time than she did – even though she has a college degree and received honors and recognition for her work.

The plaintiff claims that when she raised her allegations with human resources managers, they told her that was just the way things were. According to her complaint, one manager even advised her to read a novel called “Seducing the Boys Club,” which instructs women how to woo their male supervisors without engaging in any sexual acts.

LexisNexis Takes \$1.2M Hit

The very next day, LexisNexis Risk Solutions announced it would pay \$1.2 million to settle pay equity claims brought by the U.S. Department of Labor (USDOL) on behalf of 211 employees. The USDOL alleged the company violated laws that prohibit federal contractors from paying women less than men when they perform the same jobs. Even when gender-neutral factors that could account for the pay disparity were considered, a government investigation showed 185 female operational leaders in Alpharetta, Georgia and 26 female operational leaders in Boca Raton, Florida were paid “substantially less” than men.

Although the employer disputes the findings and did not admit any liability in connection with the settlement, it still paid over a million dollars to resolve the matter.

Local Jurisdictions Enter The Ring

The pay equity battle isn't just taking place in the courtroom; state legislatures are also debating measures that would add pay equity restrictions to the workplace. In South Carolina, two pay equity measures are currently pending in the state legislature. One bill would prohibit pay disparities between state employees of different genders who perform the same or substantially similar work under similar working conditions, while another would apply to all workers and not just state employees. Meanwhile, pay equity laws recently became effective in California, Maryland, and New York; a pay equity statute will go into effect in 2018 in Massachusetts; and Oregon is among several states expected to debate the matter in its current legislative session.

Local municipalities are also paying attention to pay equity. In late January, Philadelphia became the first city in the country to bar employers from requesting applicants to provide their salary histories, with an aim of combating gender-related pay disparity. Around the same time, New Orleans Mayor Mitch Landrieu signed an executive order prohibiting the city from making inquiries about applicants' salary histories and instructing a commission to audit pay among city employees to identify wage gaps. And although California law already provides for substantial pay equity protection, the San Diego City Council is nonetheless debating an ordinance that would require city contractors to certify they provide equal pay to workers of all genders and ethnicities as a prerequisite to obtaining a city contract.

Don't Throw In The Towel, Employers

Employers who ignore pay equity laws in their respective states and cities risk getting knocked out. Best practices for avoiding big settlement payouts or lawsuits include conducting regular pay audits in conjunction with legal counsel to ensure employees are being fairly compensated. Our firm's Pay Equity Practice Group can assist with these best practices.

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