



# Deloitte Settles Gender Pay Bias Charges

Insights

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Continuing its recent string of settlements in the pay bias claims arena, the U.S. Department of Labor recently announced that Deloitte Services LP will pay \$275,000 in back wages and interest to a group of 34 female technology services employees as part of a settlement of alleged wage discrimination. According to the Labor Department's November 5 press release, the settlement also requires Deloitte to provide training to its managers overseeing compensation decisions in Tennessee and Georgia.

The settlement comes on the heels of a routine compliance review by the DOL's Office of Federal Contract Compliance Programs (OFCCP). During the review, the OFCCP found that Deloitte paid female technology services employees in Hermitage, Tennessee, less than their male counterparts. The agency also found that Deloitte "failed to adequately evaluate female placement rates in certain positions" in its Atlanta and Hermitage locations. Deloitte denies any discrimination occurred but decided to resolve the dispute regardless.

The OFCCP has continued to increase its focus on compensation practices and pay discrimination. In FY 2019, more than a third of the OFCCP's discrimination findings involved cases of pay discrimination. Employers should carefully consider and document compensation procedures and approaches. A carefully crafted system for setting pay rates for employees is essential in defending differences in compensation. Among other steps, employers should consider conducting internal pay equity analyses, focusing on pay discrepancies by race and gender. Before undertaking any such analysis, however, consult with legal counsel to ensure that any such analysis remains privileged and confidential.

## ***Service Focus***

Pay Equity and Transparency