



New Gender Pay Equity Rules Ahead for California Employers

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Jim McDonald's article "New Gender Pay Equity Rules Ahead for California Employers" was featured in *Orange County Business Journal* on October 10, 2015.

The California legislature, with broad bipartisan support, has passed legislation that creates a much stricter standard for gender pay equity.

SB 358 law amends California's Equal Pay Act to prohibit employers from paying employees of one sex lower than employees of the opposite sex for "substantially similar work, when viewed as a composite of skill, effort and responsibility, and performed under similar working conditions." The new legislation provides an exception where the employer can show that the wage differential is based on a seniority system, a system that measure earning by quality or quantity of production, or a bona fide factor other than sex such as education, training or experience.

In the article, Jim advises employers to prepare for the new legislation by examining their pay rates for the same or similar job to see if s to see if disparities exist across sexes, and if so if the disparities may be justified within the new law. As with all examinations of potential exposure to wage and hour claims, such analysis should be conducted with the advice and assistance of an attorney so that the analysis may be protected by the attorney-client privilege. Employers will also need to remove questions about wages or salary for current and prior positions form employment application and modify candidate interview protocols.