



# U.S. Women's Soccer to Receive Equal Pay in Historic New Collective Bargaining Agreement

Insights

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In an unprecedented move, the U.S. Men's and Women's National Soccer Teams agreed to joint collective bargaining agreements with the U.S. Soccer Federation (USSF) on May 18 which guarantees equal pay for both teams. Not only will the teams receive identical performance-based bonuses and appearance fees, the historic nature of the deal comes from the pooling and equal distribution of all prize money earned by each team. This multi-million-dollar deal could have ramifications in competitive sports and beyond as organizations grapple with the demands for equal pay. It also provides lessons for all employers about the steps you should consider when it comes to pay equity compliance.

## The Deal Follows a February Settlement

Athletes from the U.S. Women's World Cup Champion team filed a gender discrimination claim in March 2019 alleging institutionalized gender discrimination in the form of unequal pay and working conditions under the Equal Pay Act (EPA) and Title VII of the Civil Rights Act. The players and the Federation recently reached a \$24 million settlement which included \$22 million in back pay for the class of athletes.

The agreement was conditioned on a new collective bargaining agreement in which the USSF committed to providing equal pay rates for the women's and men's national teams. That promise came to fruition with last week's deal.

## Pay Disparity

The previous pay structure for the U.S. Women's National Team (USWNT) included substantially lower bonuses than the U.S. Men's National Team (USMNT) for the same accomplishments – just making the World Cup would net a men's player \$67,000 as compared to just \$37,500 for a member of the women's team.

The real big money – and the significant pay disparity alleged – was in the nature of prize money. In 2019, 24 women's national teams competed at the World Cup for a total prize pool of \$30 million. This year, the 32 men's teams will compete at the World Cup and split a \$450 million prize pool. This resulted in the USWNT earning \$4 million for winning 2019 World Cup while a men's team earned \$12 million for merely advancing out of the group stage of the tournament.

The 2018 men's champion earned \$38 million. Because amounts are set by soccer's international governing body, jurisdiction over prize money was previously viewed as an insurmountable obstacle towards fully equal pay.

## **The Landmark Agreement**

On May 18, the USSF reached a 10-year agreement with the Men's and Women's National Team Players Associations which includes a landmark prize-pooling provision. Specifically, the provision establishes that all U.S. Soccer prize money received from FIFA will be pooled and shared equally among the members of both teams. The pool split could result in the teams sharing as much \$20 million in the next year.

Additionally, the men's and women's teams will switch from the guaranteed-salary system to a "pay-for-play" model that guarantees identical appearance fees and game bonuses for national matches. The agreement guarantees equality in commercial revenue share, accommodations, travel, staffing, and provides the women's team with parental leave, insurance benefits, and short-term disability.

This agreement marks the culmination of a six-year battle between the USWNT and the USSF. It leaves both the USWNT and the USMNT as two of the highest-paid national soccer teams in the world.

## **Action Items**

The USWNT's fight for equal has garnered nationwide attention and this most recent agreement is no exception. The culmination of this matter will likely spur action and scrutiny of employee pay in workplaces at every level. You should use this news as a prompt to take the following steps and ensure your own workplace pay policies are in compliance with the law:

### **1. Evaluate your compensation data to identify pay disparities.**

An audit of pay practices is an indispensable first step in any compliance effort. Review your compensation policies and pay determinations to ensure organizational decisions are properly documented. Identify differences in pay across gender and other classifications. Make adjustments or be able and ready to justify any disparities based on legitimate factors such as location, education, or training.

### **2. Implement pay practices designed to comply with the increasing demands of new laws and regulations.**

Pay equity laws are complex, exacting, and vary by state. They can carry substantial penalties. Train management level employees, HR staff, and compliance experts who are responsible for determining and monitoring employee compensation and ensure they understand the mandates of the federal Equal Pay Act and applicable state and local laws.

### 3. **Educate and train your managers.**

Failure to comply with pay equity laws can be costly and defense costs alone can be exorbitant. Often the best defense is a good offense – and organizations can do a lot to protect themselves by understanding the law. This is especially true in pay equity where there are significant differences between federal and state law. Moreover, recent legislation mandating pay transparency and posting requirements impose significant obligations on companies.

## **Conclusion**

Fisher Phillips maintains a comprehensive [Pay Equity Map](#) detailing various state laws on pay equity from across the country so that you can quickly check the lay of the land in your state. We'll continue to monitor development in this area and provide updates as warranted. Make sure you are subscribed to the [Fisher Phillips Insight service](#) to ensure you receive the latest news directly to your inbox. For further information, contact your Fisher Phillips attorney, the authors of this Insight, or any member of our [Pay Equity Practice Group](#) or [Sports Industry Practice Group](#).

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