



U.S. Women's Soccer Gets Court Approval on Historic Equal Pay Settlement: 3 Steps for Employers to Strengthen Their Pay Policies

Insights

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The U.S. women's national soccer team (USWNT) is close to receiving a \$24 million payout now that a federal judge has preliminarily approved the current and former team members' settlement with the U.S. Soccer Federation (USSF). The judge's August 11 order is the latest development stemming from a lawsuit filed by a class of women athletes in March 2019 alleging gender discrimination in the form of pay inequity. The settlement may be historic, but pay equity claims are not unique to athletes, particularly as pay equity and pay transparency laws gain momentum at the state and local level. Here's a brief background on the lawsuit, as well as three steps you should consider taking to strengthen your pay policies and practices.

A Win for Women's Soccer

After months of battling in the courts and in the public eye, this dispute reached an initial conclusion in February 2022, as the parties reached what was considered to be an unprecedented settlement. The settlement includes \$22 million in back pay for the class of athletes and \$2 million for the class members to pursue their post-playing career goals and charitable efforts involving women's and girls' soccer, according to the order.

Another feature of the settlement was realized in May 2022 when the USWNT agreed to a groundbreaking collective bargaining agreement with the USSF. The agreement – which is believed to be the first of its kind in women's sports – guaranteed the USWNT identical pay and bonuses to the U.S. men's national team and contained a provision that would pool both teams' prize money to be distributed equally. This agreement was considered to be the true victory of the settlement for the USWNT despite the large back pay award.

As expected, the terms of the settlement were approved by the U.S. District Court for the Central District of California last week. According to the filing, the USSF made its first of four \$5.5 million deposits on June 1, 2022, and a hearing for final approval of the settlement is scheduled for December. The \$22 million back pay fund will be shared by all women who were members of the national soccer team between June 11, 2015 and November 8, 2019.

3-Step Plan for Pay Parity

The USWNT's fight for equal has garnered nationwide attention and 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 developments 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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