



The Gender Pay Equity Movement Goes International

Insights

3.16.18

The national and international spotlight on pay equity is getting brighter by the day. By way of illustration, this post explores two laws that took effect on January 1, 2018, one in California and one in Iceland, and a wage equity ordinance in Philadelphia that is currently being challenged on constitutional grounds. These are just examples of the much larger trend at the local and state level in the United States, as demonstrated by the Fisher Phillips [Pay Equity Map](#). This trend can be seen around the world as more countries introduce some form of pay equity measures. Overall, the major question that all companies should be thinking about is: does the salary reflect the job position, not the person who is filling the position?

On an international level, Iceland has now made it illegal to pay men more than women. The new law took effect on January 1, 2018. Iceland is a leader in gender equality, although wage inequality has persisted in Iceland. Equal pay policies are now mandatory for companies – both private and public sector – with 25 or more employees. Companies that cannot show that they provide equal pay will be subject to fines. The new law is significant because it does not require the female employee to prove that the employer discriminated against her; rather, the company has the burden to prove that its pay practices are fair.

California's new pay equity measure took effect on January 1, 2018. The new salary privacy law prohibits employers as well as agents of the employer (headhunters and recruiters) from inquiring into or relying on a candidate's past salary history (compensation and benefits) unless certain circumstances have been met. Candidates, however, can voluntarily disclose their past compensation. Additionally, employers are permitted to review and consider salary history information that is publicly available pursuant to state or federal law. The new salary privacy law also requires employers to provide applicants, upon reasonable request, with a pay scale for the positions they seek. The California pay equity measure does not go as far as Iceland's, but it is a significant step nonetheless. California is just one of the rising number of jurisdictions to pass this type of law, joining the ranks of Massachusetts, Delaware, New York City, and Oregon.

Finally, following up on a [May 4, 2017 blog post](#), Philadelphia has also passed a wage equity ordinance that is currently the subject of a constitutional challenge by the Chamber of Commerce for Greater Philadelphia. This new wage equity ordinance, like California, prohibits employers and employment agencies from asking about, or requiring disclosure of, prospective employee's wage and fringe benefits history. The wage equity ordinance would add Section 9-1131 to the

Philadelphia's Fair Practices Ordinance. The case is currently pending in the Eastern District of Pennsylvania before the Honorable Mitchell S. Goldberg. According to the docket, oral argument was scheduled for February 1, 2018 on the Chamber's Motion for a Preliminary Injunction. The case caption is The Chamber of Commerce for Greater Philadelphia v. City of Philadelphia, et al., 2:17-CV-01548-MSG.

The significant emphasis on pay equity issues at the local, national and international levels should encourage employers to review their compensation structure and begin the process of conducting remediation, where necessary.