



Testimony of Eric W. Gjede
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Before the Committee on Labor and Public Employees
February 16, 2017

**Testifying in opposition to HB 5591
AN ACT CONCERNING PAY EQUITY IN THE WORKFORCE**

Good afternoon Senator Gomes, Senator Miner, Representative Porter, Representative Bocchino and members of the Labor and Public Employees Committee. My name is Eric Gjede and I am counsel at the Connecticut Business and Industry Association (CBIA), which represents thousands of large and small companies throughout the state of Connecticut.

CBIA supports wage equality and we believe that Connecticut citizens deserve equal pay for equal work.

Employers typically set salary levels based on their internal needs and external market values and forces. And employers that follow the state and federal laws against wage discrimination should develop and apply their compensation policies consistently and without bias.

Although we understand HB 5591 is still being developed, it appears to require employers to provide equal pay to employees in the workplace who perform “comparable” duties regardless of skill or productivity. This is a departure from the current law that requires employers to pay “equal pay for equal work.” Although the change seems innocuous, we believe it would have the negative impact on both employers and employees.

1. First, moving from “equal work” to “comparable duties” blunts the internal and external market forces that naturally shape the value of a given job and the compensation that job demands.
2. Secondly, requiring employers to pay employees equal pay for comparable work, in essence, undermines the merit pay system. This bill appears to dilute—if not prevent—an employer from paying more to employees that are exceptionally skilled, or who demonstrate more effort than others. Under this approach, businesses, particularly small businesses, would have difficulty retaining their top talent from being recruited by larger competitors. This is already a factor often cited by small Connecticut manufacturers.

Connecticut’s workforce is often rated highly in national surveys, and our key advantage is our productivity. This bill appears to undermine the importance of performance and productivity at the very time we need to grow high value jobs and support employers that have unbiased compensation systems that reward merit and consistently provide equal pay for equal work for all.

For those reasons, we urge the committee to take no action on HB 5591. Thank you.