AN ACT ENSURING FAIR AND EQUAL PAY FOR EQUAL WORK.

SUMMARY

This bill changes how an employer can defend itself in gender wage discrimination lawsuits by (1) prohibiting employers from counting certain types of leave against an employee’s seniority if the employer uses a seniority system to defend its wage differences and (2) allowing an employer to reduce certain damages in such suits by completing an equal pay analysis and meeting certain other requirements.

The law allows employees (or the labor commissioner) alleging gender wage discrimination to sue employers for lost wages, compensatory damages, attorney’s fees, and in some instances, punitive damages. Employers may defend themselves by showing that their differences in pay are based on seniority or certain other factors (e.g., job-related education or experience). Under the bill, an employer may only use a seniority system to defend its pay differences if an employee's time spent on leave due to a pregnancy-related condition or protected family and medical leave does not reduce the employee’s seniority. (The bill does not specify how long the leave may last or further define pregnancy-related conditions.)

The bill also allows an employer to file a motion in any court of competent jurisdiction to disallow the compensatory or punitive damages awarded in such a suit. The court must grant the motion if the employer shows by a preponderance of evidence that it (1) eliminated wage differentials for the plaintiff and (2) completed an equal pay analysis of its pay practices within three years before the suit was filed. The equal pay analysis must have been performed in good faith and in reasonable detail and scope in light of the employer's size. Under the bill, it cannot be admitted as evidence in any other proceeding.
If the employer’s motion is successful, the court may award the employee back pay only for the two-year period immediately preceding the suit's filing, plus costs and reasonable attorney's fees, but it may not award compensatory or punitive damages.

EFFECTIVE DATE: October 1, 2019

COMMITTEE ACTION
Labor and Public Employees Committee

Joint Favorable
Yea  11  Nay  1  (03/21/2019)