

President Obama Signs Equal Pay Actions

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President Barack Obama took steps towards erasing pay disparity between genders on Tuesday by signing an Executive Order and Presidential Memorandum focusing on fair pay.

The executive actions coincide with April 8 being deemed “Equal Pay Day” – the date that symbolizes how far into the year women must work to earn the same amount of money men earned last year. The latest U.S. Census statistics show that women who work full-time make an average of 77 cents for every dollar men make.

The Presidential Memorandum directs the Department of Labor to create new regulations requiring federal contractors to report aggregate compensation data by race and gender. The Labor Department is also directed to use the data to encourage equal pay law compliance and target enforcement more effectively.

The Executive Order prohibits federal contractors from retaliating against employees who discuss their compensation with other employees. The Order doesn’t require employees to discuss pay, nor does it require employers to publish or disseminate pay data. Retaliation against non-supervisory employees for discussing pay with co-workers is already unlawful under the National Labor Relations Act. Such claim, however, can only be brought through the National Labor Relations Board.

While the President’s executive actions only apply to federal contractors, these directives can have a wide impact. Federal contracting covers nearly one-fourth of the U.S. workforce ranging from large companies to small businesses.

The executive actions mirror provisions of the proposed Paycheck Fairness Act, currently under debate in the U.S. Senate. If that legislation passes, it will make the prohibition on retaliation for employee discussion of wages applicable to most employers and provide employees the right to sue for violations. This will likely increase the number of these sorts of claims for employers. However, two previous attempts to pass the legislation have failed.