S-4517.1

SENATE BILL 6651

State of Washington 64th Legislature 2016 Regular Session

By Senators Fain, Rivers, Litzow, Keiser, and Benton

Read first time 02/05/16. Referred to Committee on Commerce & Labor.

AN ACT Relating to ensuring equal pay for equal work by amending and enhancing enforcement of equal pay and protecting worker communications about wages; amending RCW 49.12.175; adding a new section to chapter 49.12 RCW; creating a new section; prescribing penalties; and making an appropriation.

- 6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 7 NEW SECTION. Sec. 1. INTENT. The legislature intends to update the existing Washington state equal pay act, which has not been 8 modified since 1943, but should reflect the equal status of all 9 10 workers in Washington state. The legislature finds that in order to 11 establish equality among workers, men and women in the same job must be compensated as equals. Further, although not currently allowed 12 13 under federal law, some employers institute various policies to 14 discourage employees from discussing their wages. The legislature 15 intends to ensure that employees have the opportunity to exercise 16 their rights in this area.
- 17 **Sec. 2.** RCW 49.12.175 and 1943 c 254 s 1 are each amended to 18 read as follows:
- 19 ((Any)) (1) An employer in this state((, employing both males and females, who shall discriminate in any way in the payment of wages as

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1 between sexes or who shall pay any female a less wage, be it time or piece work, or salary, than is being paid to males similarly 2 employed, or in any employment formerly performed by males, shall be 3 quilty of a misdemeanor. If any female employee shall receive less 4 compensation because of being discriminated against on account of her 5 6 sex, and in violation of this section, she shall be entitled to 7 recover in a civil action the full amount of compensation that she would have received had she not been discriminated against. In such 8 action, however, the employer shall be credited with any compensation 9 10 which has been paid to her upon account. A differential in wages between employees based in good faith on a factor or factors other 11 than sex shall not constitute discrimination within the meaning of 12 RCW 49.12.010 through 49.12.180)) may not pay any of its employees in 13 the same establishment at wage rates less than the rates paid to 14 employees of the opposite sex for equivalent work which requires 15 equal skill, effort, and responsibility, and is performed under 16 17 similar working conditions, except when payment is made pursuant to a differential based on: 18

- (a) A seniority system;
- 20 (b) A merit system;

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- 21 <u>(c) A system that measures earnings by quantity or quality of</u> 22 <u>production; or</u>
 - (d) A bona fide factor considered by the employer other than sex, such as education, training, performance, or experience. Such factor applies only if it is not based on sex, unless the differential is otherwise permitted by law and is reasonably related to the work in question.
 - (2) For the purposes of this section, employees are deemed to work in the same establishment if the employees work for the same employer at workplaces located in the same geographical region, no larger than a county, taking into account population distribution, economic activity, and the presence of municipalities.
 - (3) Any employee receiving less than the wage to which the employee is entitled under this section may recover in a civil action the balance of the wages, including interest thereon, statutory damages equal to the actual damages incurred, and costs and reasonable attorneys' fees, notwithstanding any agreement to work for a lesser wage.
- 39 <u>(4) A civil action to recover wages under this section may be</u> 40 commenced no later than two years after the cause of action occurs.

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NEW SECTION. Sec. 3. A new section is added to chapter 49.12
RCW to read as follows:

- (1)(a) An employer may not prohibit an employee from inquiring about, discussing, or disclosing the compensation of the employee or another employee, or aiding or encouraging any other employee to exercise his or her rights under this section. This subsection does not apply in instances where:
- 8 (i) An employee discloses the compensation of another employee 9 without that employee's consent; or
 - (ii) An employee who has access to the wage information of other employees as a part of the employee's essential job functions discloses the wages of other employees to individuals who do not otherwise have access to such information, unless the disclosure is a part of the employee's essential job function and is in response to a complaint or charge, or in furtherance of an investigation, proceeding, hearing, or action under this chapter, including an investigation conducted by the employer.
 - (b) An employer may, in a written policy provided to all employees, establish reasonable workplace and workday limitations on the time, place, and manner for inquiries about, discussion of, or the disclosure of wages. Such limitations must be consistent with all other state and federal laws and may include prohibiting an employee from discussing or disclosing the wages of another employee without the employee's prior permission.
 - (c) Nothing in this subsection requires an employee to disclose his or her wages. The failure of an employee to adhere to such reasonable limitations in a written policy is an affirmative defense to any claims made against an employer under this subsection, provided that any adverse employment action taken by the employer was for failure to adhere to such reasonable limitations and not for mere inquiry, discussion, or disclosure of wages in accordance with such reasonable limitations in such written policy.
 - (2) Any employee who has been discharged, discriminated, or retaliated against in the terms and conditions of his or her employment because the employee engaged in any conduct described in this section may recover in a civil action reinstatement and reimbursement for lost wages and work benefits caused by the violation of this section, including interest thereon, statutory damages equal to the actual damages, and costs and reasonable attorneys' fees.

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1 (3) A civil action brought under this section may be commenced no 2 later than one year after the cause of action occurs.

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10 11 NEW SECTION. Sec. 4. The sum of two hundred thousand dollars, or as much thereof as may be necessary, is appropriated for the biennium ending June 30, 2017, from the general fund to the joint legislative audit and review committee in order to review public agency pay schedules to evaluate the existence of disparities in pay in Washington's public sector employment, including an evaluation for the causes of significant pay gaps and an assessment of possible justifications for pay gaps. The committee must report its findings to the legislature by December 2018.

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