

Ensuring Equal Pay for Women in the Workplace

The Paycheck Fairness Act

Although the wage gap between men and women has narrowed since the passage of the landmark Equal Pay Act in 1963, gender-based wage discrimination remains a problem for women in the U.S. workforce. According to the U.S. Census Bureau, women only make 78 cents for every dollar earned by a man. The Institute of Women's Policy Research found that this wage disparity will cost women anywhere from \$400,000 to \$2 million in lost wages over a lifetime.

Furthermore, loopholes created by courts and weak sanctions in the law have allowed many employers to avoid liability for engaging in gender-based pay discrimination. The Paycheck Fairness Act will strengthen the Equal Pay Act and close the loopholes that have allowed employers to avoid responsibility for discriminatory pay.

- ✓ **Gives women access to remedies available under other claims of discrimination.** While victims of other forms of wage discrimination – such as discrimination based on race or national origin – can recoup more comprehensive damages, a plaintiff who successfully proves wage discrimination under the Equal Pay Act can only recover back pay and sometimes liquidated damages. The Paycheck Fairness Act puts gender-based discrimination sanctions on equal footing with other forms of wage discrimination by allowing women to sue for compensatory and punitive damages.
- ✓ **Ensures that courts do not accept poor excuses for unequal pay by employers.** Courts have allowed employers to use any factor other than sex to justify a pay disparity between men and women, even if the factor has nothing to do with the job. Under the Paycheck Fairness Act, an employer would have to show that the disparity is not sex-based, is job-related, and is consistent with business necessity. Additionally, the bill modernizes the law by allowing workers to make pay comparisons for the same job with the same employer at different worksites in the same county.
- ✓ **Protects employees who discuss salary information from retaliation by their employer.** Discriminatory pay is often hidden because many employers prohibit employees from discussing their pay with each other. The Paycheck Fairness Act prohibits employers from retaliating against employees who discuss or disclose salary information with their co-workers, the primary way by which pay discrimination is uncovered. It provides that certain confidential employees, however, may be required by the employer to limit their disclosures.
- ✓ **Unequal pay harms families and the economy.** For families who are just making ends meet, equal pay for women will make a significant difference to their well-being and help lift their families out of poverty. Single women who are head of households are twice as likely to be in poverty as single men. Additionally, closing the wage gap would have a long-term impact on women's economic security, especially in retirement, as unequal pay affects Social Security and pension benefit calculations.