# HOUSE BILL REPORT HB 1533

#### As Reported by House Committee On:

Labor & Workplace Standards

**Title**: An act relating to wage and salary information.

**Brief Description**: Addressing wage and salary information.

**Sponsors**: Representatives Dolan, Senn, Doglio, Gregerson, Peterson, Bergquist, Goodman, Kloba, Macri, Sawyer, Appleton, Hudgins, Pollet, Ormsby and Slatter.

#### **Brief History:**

#### **Committee Activity:**

Labor & Workplace Standards: 1/24/17, 1/30/17 [DP].

#### **Brief Summary of Bill**

- Prohibits an employer from seeking an applicant's wage or salary history or requiring that wage or salary meet certain criteria.
- Requires employers to provide certain wage scales and salary ranges to employees and upon request, to applicants.

#### HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

**Majority Report**: Do pass. Signed by 4 members: Representatives Sells, Chair; Gregerson, Vice Chair; Doglio and Frame.

**Minority Report**: Do not pass. Signed by 3 members: Representatives Manweller, Ranking Minority Member; McCabe, Assistant Ranking Minority Member; Pike.

**Staff**: Joan Elgee (786-7106).

### **Background:**

Current law does not address an employer's requests for an applicant's wage or salary history or specification that wage or salary history meet certain criteria. Private employers also have no legal obligation to provide applicants or employees with wage scales or salary ranges. Information about public employer wages and salaries is generally public.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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Massachusetts recently enacted legislation limiting an employer's requests for applicant wage or salary history information and wage or salary history requirements for applicants.

**Summary of Bill:** 

An employer may not seek the wage or salary history of an applicant from the applicant or a current or former employer. If an applicant requests, an employer must provide the wage scale or salary range for a position to an applicant. An employer also may not require that an applicant's prior wage or salary history meet certain criteria. However, an employer may confirm an applicant's wage or salary history if voluntarily disclosed by the applicant, and after an offer with compensation has been negotiated and made to the applicant.

An employer must provide to each employee the wage scale or salary range for the employee's job title and for comparable jobs when the employee is hired, annually, and upon request.

Administrative remedies and a private cause of action are available. The Director of the Department of Labor and Industries (Department) must investigate complaints and may order actual damages, statutory damages equal to the greater of actual damages or \$5,000, and interest. The director may also impose a civil penalty of \$200 for a first violation and \$1,000 for a repeat violation, payment of the costs of investigation and enforcement, and any other appropriate relief. An employee who prevails on appeal is entitled to costs and attorneys' fees. Any wages and interest owed must be calculated from the first date wages were owed. Judicial remedies are similar, and the court may also order reinstatement and injunctive relief.

The Department has rule-making authority.			
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**Appropriation**: None.

Fiscal Note: Requested on January 20, 2015.

**Effective Date**: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

## **Staff Summary of Public Testimony:**

(In support) This bill is a new idea to address the wage gap. Asking for salary history seems neutral and employers do not usually intend to discriminate. However, salary history perpetuates discrimination against women and people of color. The presumption that the prior salary was fair is wrong and the cycle of the pay gap continues. Studies show hiring biases against women with children and people with black sounding names. Women scientists had to show more evidence of competence than men, and black women even more

evidence. In a study of restaurant hiring, white applicants received longer interviews. If you left the work place to raise a child, it does not make sense to set a salary based on those old wages. Salary should be based on merit and skills. Once a salary number has been stated, people anchor on it. It is bad policy to lie about salary history to try to address the gap and promoting better negotiating skills is not enough. Women tend to underestimate their skills. Philadelphia just passed this bill and California banned relying on salary history as a defense in equal pay. Asking employer to provide a pay range to applicants and employees is reasonable.

(Opposed) None.

**Persons Testifying**: Representative Dolan, prime sponsor; Lynn Dodson, Washington State Labor Council; and Marilyn Watkins, Economic Opportunity Institute Seattle.

Persons Signed In To Testify But Not Testifying: None.

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