



Paycheck Fairness Act, S. 182

Current Status: on Senate Legislative Calendar

BACKGROUND

- In 2009, the Institute for Women's Policy Research found that women only receive 77 cents of the dollar when compared to men in the same profession.
- The Paycheck Fairness Act (PFA), S.182, requires that men and women be given equal pay for equal work.
- PFA is a comprehensive bill that updates the Equal Pay Act of 1963 by closing loopholes that have allowed wage discrimination to persist and creating stronger incentives for employers to follow the law.

ECONOMIC ARGUMENT

- Given the current state of the economy, American families are increasingly relying upon women's wages to make ends meet.
- For the first time in American history, women represent half of the paid workforce, and 2/3 of the women workers are either primary or co-bread winner for their families.
- Thus, equal pay for equal work will ensure the financial stability of many American families.

WHAT DOES THE PFA DO:

- Clarifies acceptable reasons for difference in pay to ensure that wage gap is legitimate and truly a result of factors other than gender.
- Allow for reasonable comparison between employees to determine fair wages.
- Prohibit employer retaliation against workers who inquire about other employee's wages or disclose their own wage.
- Provide women with the option to proceed in an opt-out class action lawsuit and allow women to receive punitive and compensatory damages for pay discrimination.
- Increase training for Equal Employment Opportunity Commission (EEOC) staff to better identify and handle wage disputes.
- Require EEOC to develop regulations directing employers to collect wage data.
- Require Department of Labor (DOL) to reinstate activities that promote equal pay. (i.e. educational programs, technical assistance to employers, promoting research about pay disparities between men and women).
- Establish salary negotiation skills training for women and girls.
- Reinstate the Equal Opportunity Survey.

MYTHS ABOUT THE PFA:

Myth: Wage discrimination is a result of career disruption and market forces, not gender.

Fact: After controlling for factors known to affect earnings such as education and training, parenthood and hours worked, the Association of American University Women (AAUW) found that college-educated women still earn less than men – even when they have the same major and occupation as their male counterparts.

Myth: PFA will bankrupt employers because it eliminates punitive and compensatory damages, which would result in an explosion of court cases and allow class-action lawsuits to proliferate.

Fact: The PFA simply gives victims of sex-based discrimination the same rights as victims of race-based discrimination. Under the current law, victims of race-based discrimination can sue for compensatory and punitive damages, and the courts are free to award whatever amount they deem just. Race-based discrimination cases have NOT bankrupted employers, and there is no reason to believe that things would be different.

Myth: The PFA would unfairly penalize employers who pay workers at some worksites more because the cost of living is higher in that location.

Fact: The PFA clarifies that a plaintiff can only compare her pay to an individual doing the same job at a location within the same county.