

Pay Equity Issues & Insights Blog



“Naming and Shaming” Bill is Dead: California Governor Rejects Gender Pay Posting Requirement

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Seyfarth Synopsis: California’s governor recently vetoed the Gender Pay Gap Transparency Act (AB 1209), which would have required California employers to produce pay data, without consideration of legitimate reasons for differences in pay, to the Secretary of State, who then would have publicly published the data on the internet.

Employers can breathe a little easier with California Governor Jerry Brown’s veto of California’s proposed data transparency legislation — the Gender Pay Gap Transparency Act (AB 1209).

The vetoed Gender Pay Gap Transparency bill would have required companies with 500 or greater employees to collect and produce data concerning:

- the difference between the mean and median wages of male and female exempt employees located in California, by job classification or title;
- the difference between the mean and median wages of male and female board members located in California; and
- the number of employees used in these determinations.

The information was to be submitted to the California Secretary of State who would then publish the pay data on a public website.

In vetoing the proposed legislation, Governor Brown rejected the value of the report because “it [was] unclear that the bill as written, given its ambiguous wording, [would] provide data that [would] meaningfully contribute to efforts to close the gender wage gap.” Furthermore, Governor Brown cited concerns that the bill “could be exploited to encourage more litigation than equity.”

The rationale offered by Governor Brown tracked arguments raised by opponents of the bill. As Jennifer Barrera of Cal Chamber and Kara Bush of the Computing Technology Industry Association wrote in a recent [Sacramento Bee article](#): “Public display of the data adds insult to injury. Employers would be required to provide statistics on job duties, wages and gender, but without the factors such as experience and seniority that the law says are legitimate reasons for wage gaps. That’s propounding a half-truth – and a public relations windfall for plaintiffs’ attorneys.” Governor Brown’s veto comes as welcome

news for many California employers who would have faced public disclosure of sensitive pay data that did not account for the many legitimate reasons for differences in pay.

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