

# Pay Equity Issues & Insights Blog



# Washington State Signs a Salary History Ban, with A Twist

By Christine Hendrickson

**Seyfarth Synopsis:** Yesterday, May 9, 2019, Washington State Governor Inslee signed the "<u>Washington Equal Pay and</u> <u>Opportunities Act</u>," which bans employers from asking about prior salary and will require employers to provide pay scale or wage information to both applicants and internal employees, if requested. The law applies to all employers with at least 15 employees and it goes into effect in July 2019.

## Salary History Ban

Washington State will become the ninth state and the seventeenth jurisdiction<sup>1</sup> with a salary history ban that applies to applicants for employment.

The Washington state pay equity law <u>enacted last year</u> already prohibited employers from justifying differences in pay by pointing to differences in prior salary. But now employers are banned from collecting or considering that information altogether.

Like many of the salary history bans the Washington State law will:

- Forbid employers from seeking the wage or salary history of an applicant for employment from the applicant or from the applicant's current or former employer;
- Require that an applicant's prior wage or salary history meet certain criteria.

Employers, however, can confirm an applicant's wage or salary history if the applicant has voluntarily disclosed his or her wage or salary history; and may also confirm it after an offer (including compensation) has been negotiated with the applicant.

### The Pay Scale Twist

The bigger news is the pay scale requirement. Washington State will become the third jurisdiction (following <u>California</u> and <u>Cincinnati</u>) to require employers to provide pay scale information. The twist is that this applies, also, to internal transfers, unlike the California law, which explicitly does not.

The Washington State law provides that "Upon request of an applicant for employment after the employer has initially offered the applicant the position, the employer must provide the minimum wage or salary for the position for which the applicant is applying" and provides that "Upon request of an employee offered an internal transfer to a new position or promotion, the employer must provide the wage scale or salary range for the employee's new position."

<sup>©2019</sup> Seyfarth Shaw LLP. All rights reserved. "Seyfarth Shaw" refers to Seyfarth Shaw LLP (an Illinois limited liability partnership). Prior results do not guarantee a similar outcome. #16-3329 R1

The timing differs from the California law, which requires that the pay scale information be provided after the applicant has interviewed.

The Washington State law provides some additional guidance on the definition of "wage scale" or "salary range", noting that if there is no wage scale or salary range for the job, "the employer must provide the minimum wage or salary expectation set by the employer prior to posting the position, making a position transfer, or making the promotion."

#### **Remedies**

The new Washington State law allows for actual damages or statutory damages up to \$5,000, interest, costs, and attorney's fees. The court may also order reinstatement and injunctive relief.

#### What Should Employers Do?

The law will become effective on July 27, 2019, which is 90 days after the adjournment of the current Legislative session. Employers should review their job applications and other policies and procedures, make any necessary changes, and consider training hiring managers and human resources employees about the amendments.

If you would like further information, please contact Christine Hendrickson at chendrickson@seyfarth.com.

#### www.seyfarth.com

Attorney Advertising. This is a periodical publication of Seyfarth Shaw LLP and should not be construed as legal advice or a legal opinion on any specific facts or circumstances. The contents are intended for general information purposes only, and you are urged to consult a lawyer concerning your own situation and any specific legal questions you may have. Any tax information or written tax advice contained herein (including any attachments) is not intended to be and cannot be used by any taxpayer for the purpose of avoiding tax penalties that may be imposed on the taxpayer. (The foregoing legend has been affixed pursuant to U.S. Treasury Regulations governing tax practice.)

#### Seyfarth Shaw LLP Pay Equity Group | May 10, 2019

©2019 Seyfarth Shaw LLP. All rights reserved. "Seyfarth Shaw" refers to Seyfarth Shaw LLP (an Illinois limited liability partnership). Prior results do not guarantee a similar outcome. #16-3329 R1