

Pay Equity Issues & Insights Blog



UPDATE: The Trend Continues: NYC Passes Salary History Ban

By Lisa Savadjian, Christine Hendrickson and Annette Tyman

Seyfarth Synopsis: On May 4, 2017, New York City Mayor Bill de Blasio signed into law the long awaited ban on employers inquiring about a prospective job applicant's prior salary history. The law will go into effect in 180 days on October 31, 2017.

Halloween just got a little spookier for employers.

Yesterday, May 4, 2017, New York City Mayor Bill de Blasio signed into law the legislation that bans New York City employers from inquiring about or seeking the salary history of job applicants. See our previous alert about the proposed law <u>here</u>. The law will go into effect on Halloween, October 31, 2017. While the wording of section 2 of the law may suggest that the City Commission on Human Rights must issue regulations before the law can take effect, both the Mayor and the Commission issued statements indicating that the effective date will be 180 days from the Mayor's signature.

It remains to be seen whether the New York City law will face the same legal challenges as its Philadelphia counterpart. Last month, the Chamber of Commerce for Greater Philadelphia filed a federal lawsuit on First Amendment and Due Process grounds against Philadelphia's pay equity Ordinance, which similarly prohibits inquiries into salary history. See our alert on the challenge <u>here</u>.

With the impending city and state law bans not only in NYC and Philadelphia, and but also in <u>Massachusetts</u> and Puerto Rico that will forbid or limit an employer's inquiry into prior salary, the <u>California Fair Pay Act prohibition on using prior salary as the</u> <u>sole justification for pay differences</u>, and <u>split within the federal Circuits on the use of prior salary</u>, all employers who use prior salary as a touchpoint in setting initial compensation—not just those with operations in NYC— are wise to carefully consider the full legal landscape as they wade into this new approach to pay.

Seyfarth Shaw is tracking this emerging area of law closely. We hope you will join Seyfarth's Pay Equity and Workplace Counseling & Solutions Groups for a joint Webinar on May 9th to discuss this litigation and the wave of wage history bans. You can register for *The Next Pay Equity Frontier: Salary History Bans* webinar <u>here</u>.

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