



# Paycheck Fairness Act, S. 797/H.R. 1519

Senate – referred to Committee on Health, Education, Labor, and Pensions

House – referred to Subcommittee on Workforce Protections

## BACKGROUND

- In 2011, 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.797/H.R. 1519, requires that men and women be given equal pay for equal work.
- The 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 a wage gap is legitimate and truly a result of factors other than gender.
- Allows for reasonable comparison between employees to determine fair wages.
- Prohibits employer retaliation against workers who inquire about other employee’s wages or disclose their own wage.
- Provides 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.
- Increases training for Equal Employment Opportunity Commission (EEOC) staff to better identify and handle wage disputes.
- Requires EEOC to develop regulations directing employers to collect wage data.
- Requires 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).
- Establishes salary negotiation skills training for women and girls.
- Reinstates 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: The 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.**

For more information, please contact: Coalition of Labor Union Women

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