

Legal Notes - August 2016

I'm happy to see progress being made in wage transparency. What is "wage transparency" you may ask?

Careful readers may recall an article here last year about changes in SEC rules regarding highly paid corporate executive salaries. For the first time, the SEC required publicly traded companies to post the salaries of their executives, information that wasn't otherwise widely available. One of the ideas behind this disclosure was to bring pressure to bear upon executives by shareholders to actually earn this massive paychecks.

Also, for a few years now, the NLRB has held that if employees want to discuss their salaries, so be it. Oddly enough, many employer forbid employees from openly discussing their pay. Under the NLRB's policy, such discussion may be a forerunner to organizational efforts by such employees. (Of course, this policy applies to non-union, unorganized employees; union employees generally know their co-workers pay because of the labor contract.)

States have followed suit, enacting their laws allowing employees to discuss salaries. California and Massachusetts have done so this year.

Finally, Massachusetts has adopted a radical new law (by a Republican governor, no less!). The law forbids employers from asking job candidates what they earned in their previous employment. The idea behind the past salary question was to stop the perpetuation of low salaries for certain groups, notably areas where woman are dominant and wages have been historically low.

Wage gaps for women have been a stubborn and longtime problem. President Kennedy signed the Equal Pay Act into law over fifty years ago. Maybe these wage transparency laws can help close the gap.