



# **Gender Pay Equity**

This issue brief provides an overview of federal and state laws related to gender pay equity and a summary of past legislative efforts by the Colorado General Assembly on the topic.

#### **Federal Data and Laws**

According to the <u>U.S. Bureau of Labor</u>
<u>Statistics</u>, the U.S. median weekly earnings of women who worked full-time in wage and salary positions were 83.6 percent of men's in 2023, with Colorado falling slightly below average at 82.1 percent and 32 states realizing a smaller pay gap than Colorado. However, this pay gap varies by age group, race, occupation, educational attainment, and numerous other factors. The federal Equal Pay Act of 1963 and Civil Rights Act of 1964 prohibit pay discrimination based on gender for employers engaged in interstate commerce.

#### **Equal Pay Act of 1963**

The Equal Pay Act of 1963 prohibits employers from discriminating between employees on the basis of gender. Male and female employees must be paid at the same rate for equal work on jobs that require "equal skill, effort, and responsibility, and which are performed under similar working conditions." The law exempts differential payments that are made under a system that is based on any

other factor besides gender, including seniority, merit, and quantity or quality of production.<sup>1</sup>

### **Civil Rights Act of 1964**

Among many other provisions, the Civil Rights Act of 1964 prohibits employers with 15 or more employees from discriminating against individuals with respect to their compensation because of the individual's race, color, religion, sex, or national origin. The Lilly Ledbetter Fair Pay Act of 2009 amended the Civil Rights Act of 1964 to specify that each discriminatory paycheck resets the 180-day limit to file a discrimination claim under the law.<sup>2</sup>

#### **Colorado Law**

#### **Wage Equality Regardless of Sex**

In 1955, the Colorado General Assembly passed a wage equality law that prohibits employers from paying employees differently solely based on the gender of the employee.<sup>3</sup> The director of the Division of Labor Standards and Statistics within the Colorado Department of Labor and Employment (CDLE) is responsible for the enforcement of this law.

#### **Colorado Pay Equity Commission**

<u>House Bill 10-1417</u> created the Colorado Pay Equity Commission. Its responsibilities included compiling pay equity best practices

<sup>3</sup>Section 8-5-102, C.R.S.

<sup>&</sup>lt;sup>1</sup>29 U.S.C. § 206 (d).

<sup>&</sup>lt;sup>2</sup>42 U.S.C. § 2000e.

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and educating employers about them. The General Assembly allowed the commission to sunset on its statutory repeal date in 2015, following a <u>sunset review</u> during the 2014 session.

# **Discriminatory or Unfair Employment Practices**

Under Colorado law it is considered to be a discriminatory or unfair employment practice for an employer to discriminate in matters of compensation against any person otherwise qualified because of disability, race, creed, color, gender, sexual orientation, religion, age, national origin, or ancestry. This section of the law also prohibits employers from negatively retaliating against any employee who inquires about, discloses, compares, or otherwise discusses the employee's wages.<sup>4</sup>

## **Equal Pay for Equal Work Act**

In 2019, the General Assembly passed Senate Bill 19-085, expanding Colorado's gender-based wage discrimination prohibition law by creating the Equal Pay for Equal Work Act. The General Assembly further modified and expanded the act through Senate Bill 23-105, which now encompasses all of the following provisions:

- prohibiting employers from paying employees of different genders differently for substantially similar work, unless the difference is based on specific criteria, such as a seniority or merit system;
- prohibiting employers from seeking the wage rate history of prospective employees or using this to determine a wage rate;

- permitting civil action up to two years after a violation occurs;
- requiring CDLE to create and administer a complaint process and provide legal resources concerning alleged violations;
- allowing a person pursuing a wage discrimination complaint to receive back pay to six years; and
- implementing certain disclosure and record-keeping requirements for employers in job listings.

### **Pay Equity Study**

The General Assembly passed House Bill 22-1196, requiring an outside study to evaluate pay inequities specific to gender, race, and other protected classes in the state personnel system. The study was completed in September 2022 and updated in 2023. The study found a statistically insignificant pay gap between men and women within the state government, with men earning more than women. The study included recommendations to alleviate discovered pay inequities.

#### **Remedies**

Employees who have been victims of discriminatory or unfair employment practices may seek remedies, such as back pay or compensatory damages, through various avenues depending on the circumstance. These include filing complaints with the U.S. Equal Employment Opportunity Commission or the Colorado Civil Rights Division or filing a lawsuit in court. Employment discrimination claims must be filed within certain timelines, which vary based on the avenue and circumstance.

<sup>&</sup>lt;sup>4</sup>Section 24-34-402, C.R.S.