

California Enacts Statewide Law Restricting Inquiries into Applicants' Salary History

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California Governor Jerry Brown has <u>signed into law</u> a statewide salary history inquiry law that will largely restrict employers in the state from seeking and relying upon salary history information from applicants during the hiring process.

The law, which will go into effect on January 1, 2018 and will apply to all private and public sector employers, will prohibit employers from:

- relying on salary history as a factor in determining whether to offer employment to an applicant or what salary to offer; or
- seeking, orally or in writing or through an agent, salary history information about an applicant.

The law will also require an employer, upon reasonable request by an applicant, to provide the pay scale for a position.

The law further provides that, if an applicant voluntarily and without prompting discloses salary history information to a prospective employer, that employer may then consider and/or rely on that voluntarily disclosed salary history information in determining the salary for that applicant. However, the law reiterates that, consistent with the state's currently existing equal pay law, employers may not rely upon voluntarily disclosed prior salary, by itself, to justify any disparity in compensation.

In passing this law, California joins the ranks of <u>Massachusetts</u>, <u>Oregon</u> and Delaware in enacting statewide salary history inquiry protections (while <u>Illinois</u> vetoed a similar bill in late August). The new law also comes on the heels of a similar <u>San Francisco</u> ordinance enacted this summer.

Along with San Francisco, <u>New York City</u> and <u>Philadelphia</u> have also passed laws at the local level, while Puerto Rico's salary history law went into effect in March of this year.

We will continue to report on new developments with regard to this law as they arise.

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