

NAPE PUBLIC POLICY PLATFORMS



H.R. 7: Paycheck Fairness Act of 2019

Summary

In 1963, President Kennedy passed the **Equal Pay Act** to combat pay discrimination based on sex. The Act amended the Fair Labor Standards Act, clarifying that an employer may not pay an employee less than another employee of the opposite gender if they engage in the same work. (This may be exempted if pay is based on a factor other than sex, such as a merit or seniority system.) Although the Act's focus was primarily on pay discrimination against women in the workforce, it protects both men and women from unequal pay.

The 111th Congress first introduced the **Paycheck Fairness Act in 2009** (as S. 182 and H.R. 12 in the Senate and the House, respectively) to expand the scope of the Equal Pay Act of 1963 and to further amend the Fair Labor Standards Act of 1938. The Act provided remedies to victims of discriminatory practices regarding the payment of wages on the basis of one's gender. Although the House approved the bill in January 2009, the Senate failed to move the bill forward in November 2010. At President Barack Obama's urging, the bill was reintroduced in both chambers in April 2011 (this time as S.797 and H.R. 1519), but it was rejected again. Members of Congress have continually rejected it since then, despite its repeated reintroductions.

The Lilly Ledbetter Fair Pay Act was the first law enacted by President Obama, signed on January 29, 2009. It restores an anti-discrimination law that existed prior to the Supreme Court decision in *Ledbetter v. Goodyear Tire and Rubber Co.*, in which the Court ruled that an individual must file a complaint within 180 days of an employer committing pay discrimination if he or she wishes to be indemnified. This Act overrides that court decision by making clear that each discriminatory paycheck is a new act of discrimination, which resets the 180-day limit to file a claim. At the same time, the Act states that plaintiffs can recover back pay for a period of no more than 2 years before they challenge the discrimination. The law is named after Lily Ledbetter, a production supervisor at a Good Year Tire plant in Alabama who discovered she had been paid less than her male coworkers for almost two decades. Ledbetter fought to achieve stronger equal pay laws in the country.

Why Are These Important to NAPE?

Although much progress has been made since the passage of the Equal Pay Act in 1963 for workers' rights and combating wage discrimination, unequal pay and pay discrimination are still realities in America. For example, a woman earns **80 cents** for every dollar a man earns, on average (*up 3 cents from 2018*). These statistics are far worse for women of color: **61 cents** for African American women (*down 7 cents from 2018*) and **53 cents** for Latinas (*down 5 cents from 2018*).

Additionally, pay discrimination can be very difficult to notice, and it can take years for a victim to realize she is earning less than coworkers who do equal work, which has drastic ramifications for families' economic security and the nation's economic recovery. In addition to simply being unjust, wage discrimination negatively impacts a nation's economic development and makes it more difficult for women and families to pay for education, childcare, health care, and more. Over time, unequal pay translates to a significant retirement gap as well, greatly affecting women's ability to live comfortably in old age. Furthermore, society loses additional tax revenue because of the wage gap while having to increase spending on safety net programs for women who are not making a living wage. From individuals, to families, to society at large, all parties lose with a gender pay gap.

Current Status

In the 116th Congress, the bill was introduced on January 30, 2019, by Congresswoman Rosa DeLauro. It was referred to the House Committee on Education and Labor. On March 27, 2019, the legislation was passed in the House (by Yeas and Nays, 242-187). The legislation was received in the Senate on March 28, 2019. With a first reading on April 2, 2019, on April 3, 2019, the bill was read the second time and placed on the Senate Legislative Calendar under General Orders.