

113TH CONGRESS
1ST SESSION

H. R. 377

To amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 2013

Ms. DELAURO (for herself, Mr. ANDREWS, Ms. BASS, Mr. BECERRA, Mr. BISHOP of New York, Mr. BLUMENAUER, Ms. BONAMICI, Mr. BRADY of Pennsylvania, Mr. BRALEY of Iowa, Ms. BROWN of Florida, Mrs. BUSTOS, Mr. BUTTERFIELD, Mrs. CAPPS, Mr. CAPUANO, Mr. CÁRDENAS, Mr. CARSON of Indiana, Ms. CASTOR of Florida, Mrs. CHRISTENSEN, Ms. CHU, Mr. CICILLINE, Ms. CLARKE, Mr. CLAY, Mr. CLEAVER, Mr. CLYBURN, Mr. COHEN, Mr. CONYERS, Mr. COOPER, Mr. COSTA, Mr. COURTNEY, Mr. CUMMINGS, Mrs. DAVIS of California, Mr. DEFazio, Ms. DEGETTE, Mr. DELANEY, Ms. DELBENE, Mr. DEUTCH, Mr. DINGELL, Mr. DOYLE, Ms. EDWARDS, Mr. ELLISON, Mr. ENGEL, Ms. ESHOO, Ms. ESTY, Mr. FARR, Mr. FATTAH, Ms. FRANKEL of Florida, Ms. FUDGE, Mr. GARAMENDI, Mr. AL GREEN of Texas, Mr. GENE GREEN of Texas, Mr. GRIJALVA, Mr. GUTIERREZ, Ms. HAHN, Ms. HANABUSA, Mr. HASTINGS of Florida, Mr. HECK of Washington, Mr. HIGGINS, Mr. HIMES, Mr. HINOJOSA, Mr. HOLT, Mr. HONDA, Mr. HOYER, Mr. ISRAEL, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSON of Georgia, Ms. KAPTUR, Mr. KEATING, Mr. KILDEE, Mr. KILMER, Mr. KIND, Mr. LANGEVIN, Mr. LARSEN of Washington, Mr. LARSON of Connecticut, Ms. LEE of California, Mr. LEVIN, Mr. LEWIS, Mr. LOEBSACK, Ms. LOFGREN, Mrs. LOWEY, Mr. BEN RAY LUJÁN of New Mexico, Ms. MICHELLE LUJAN GRISHAM of New Mexico, Mr. LYNCH, Mrs. CAROLYN B. MALONEY of New York, Mr. MATHESON, Ms. MATSUI, Mrs. McCARTHY of New York, Ms. MCCOLLUM, Mr. McDERMOTT, Mr. McGOVERN, Mr. MCNERNEY, Mr. MEEKS, Ms. MENG, Mr. MICHAUD, Mr. GEORGE MILLER of California, Ms. MOORE, Mr. MORAN, Mr. NADLER, Mrs. NAPOLITANO, Mr. NOLAN, Ms. NORTON, Mr. PALLONE, Mr. PASCRELL, Mr. PASTOR of Arizona, Ms. PELOSI, Mr. PERLMUTTER, Mr. PETERS of Michigan, Mr. PIERLUISI, Ms. PINGREE of Maine, Mr. POCAN, Mr. POLIS, Mr. PRICE of North Carolina, Mr. RANGEL, Mr. RICHMOND, Ms. ROYBAL-ALLARD, Mr. RUPPERSBERGER, Mr. RUSH, Mr. RYAN of Ohio, Ms. LINDA T. SÁNCHEZ of California, Ms. LORETTA SANCHEZ of California, Mr. SARBANES, Ms. SCHAKOWSKY, Mr. SCHIFF, Mr. SCHNEIDER,

Mr. SCHRADER, Ms. SCHWARTZ, Mr. DAVID SCOTT of Georgia, Mr. SCOTT of Virginia, Mr. SERRANO, Ms. SHEA-PORTER, Mr. SHERMAN, Ms. SINEMA, Ms. SLAUGHTER, Mr. SMITH of Washington, Ms. SPEIER, Mr. THOMPSON of California, Mr. TIERNEY, Mr. TONKO, Ms. TSONGAS, Mr. VAN HOLLEN, Ms. VELÁZQUEZ, Mr. VISCHOSKY, Mr. WALZ, Ms. WASSERMAN SCHULTZ, Ms. WATERS, Mr. WATT, Mr. WAXMAN, Mr. WELCH, Ms. WILSON of Florida, Mr. YARMUTH, Mrs. BEATTY, and Mr. CONNOLLY) introduced the following bill; which was referred to the Committee on Education and the Workforce

A BILL

To amend the Fair Labor Standards Act of 1938 to provide more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Paycheck Fairness
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Women have entered the workforce in
9 record numbers over the past 50 years.

10 (2) Despite the enactment of the Equal Pay Act
11 in 1963, many women continue to earn significantly
12 lower pay than men for equal work. These pay dis-
13 parities exist in both the private and governmental
14 sectors. In many instances, the pay disparities can

1 only be due to continued intentional discrimination
2 or the lingering effects of past discrimination.

3 (3) The existence of such pay disparities—

4 (A) depresses the wages of working families who rely on the wages of all members of the
5 family to make ends meet;

7 (B) undermines women's retirement security, which is often based on earnings while in
8 the workforce;

10 (C) prevents the optimum utilization of
11 available labor resources;

12 (D) has been spread and perpetuated,
13 through commerce and the channels and instrumentalities of commerce, among the workers of
14 the several States;

16 (E) burdens commerce and the free flow of
17 goods in commerce;

18 (F) constitutes an unfair method of competition in commerce;

20 (G) leads to labor disputes burdening and
21 obstructing commerce and the free flow of
22 goods in commerce;

23 (H) interferes with the orderly and fair
24 marketing of goods in commerce; and

(I) in many instances, may deprive workers of equal protection on the basis of sex in violation of the 5th and 14th Amendments.

(4)(A) Artificial barriers to the elimination of discrimination in the payment of wages on the basis of sex continue to exist decades after the enactment of the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) and the Civil Rights Act of 1964 (42 U.S.C. 2000a et seq.).

(B) These barriers have resulted, in significant part, because the Equal Pay Act has not worked as Congress originally intended. Improvements and modifications to the law are necessary to ensure that the Act provides effective protection to those subject to pay discrimination on the basis of their sex.

(C) Elimination of such barriers would have positive effects, including—

(i) providing a solution to problems in the economy created by unfair pay disparities;

(ii) substantially reducing the number of working women earning unfairly low wages, thereby reducing the dependence on public assistance:

(iii) promoting stable families by enabling all family members to earn a fair rate of pay;

(iv) remedying the effects of past discrimination on the basis of sex and ensuring that in the future workers are afforded equal protection on the basis of sex; and

(v) ensuring equal protection pursuant to Congress' power to enforce the 5th and 14th Amendments.

12 (6) The Department of Labor is responsible
13 for—

(A) collecting and making publicly available information about women's pay;

(C) disseminating information about women's rights in the workplace;

(D) helping women who have been victims of pay discrimination obtain a remedy; and

(E) being proactive in investigating and prosecuting equal pay violations, especially systemic violations, and in enforcing all of its mandates.

17 (9) Certain employers have already made great
18 strides in eradicating unfair pay disparities in the
19 workplace and their achievements should be recog-
20 nized.

21 SEC. 3. ENHANCED ENFORCEMENT OF EQUAL PAY RE-
22 QUIREMENTS.

23 (a) BONA-FIDE FACTOR DEFENSE AND MODIFICA-
24 TION OF SAME ESTABLISHMENT REQUIREMENT.—Section

1 6(d)(1) of the Fair Labor Standards Act of 1938 (29

2 U.S.C. 206(d)(1)) is amended—

3 (1) by striking “No employer having” and in-
4 serting “(A) No employer having”;

5 (2) by striking “any other factor other than
6 sex” and inserting “a bona fide factor other than
7 sex, such as education, training, or experience”; and

8 (3) by inserting at the end the following:

9 “(B) The bona fide factor defense described in sub-
10 paragraph (A)(iv) shall apply only if the employer dem-
11 onstrates that such factor (i) is not based upon or derived
12 from a sex-based differential in compensation; (ii) is job-
13 related with respect to the position in question; and (iii)
14 is consistent with business necessity. Such defense shall
15 not apply where the employee demonstrates that an alter-
16 native employment practice exists that would serve the
17 same business purpose without producing such differential
18 and that the employer has refused to adopt such alter-
19 native practice.

20 “(C) For purposes of subparagraph (A), employees
21 shall be deemed to work in the same establishment if the
22 employees work for the same employer at workplaces lo-
23 cated in the same county or similar political subdivision
24 of a State. The preceding sentence shall not be construed
25 as limiting broader applications of the term ‘establish-

1 ment' consistent with rules prescribed or guidance issued
2 by the Equal Opportunity Employment Commission.”.

3 (b) NONRETALIATION PROVISION.—Section 15 of the
4 Fair Labor Standards Act of 1938 (29 U.S.C. 215(a)(3))
5 is amended—

6 (1) in subsection (a)(3), by striking “employee
7 has filed” and all that follows and inserting “em-
8 ployee—

9 “(A) has made a charge or filed any com-
10 plaint or instituted or caused to be instituted
11 any investigation, proceeding, hearing, or action
12 under or related to this Act, including an inves-
13 tigation conducted by the employer, or has tes-
14 tified or is planning to testify or has assisted or
15 participated in any manner in any such inves-
16 tigation, proceeding, hearing or action, or has
17 served or is planning to serve on an industry
18 Committee; or

19 “(B) has inquired about, discussed, or dis-
20 closed the wages of the employee or another
21 employee.”; and

22 (2) by adding at the end the following:

23 “(c) Subsection (a)(3)(B) shall not apply to instances
24 in which an employee who has access to the wage informa-
25 tion of other employees as a part of such employee’s essen-

1 trial job functions discloses the wages of such other employ-
2 ees to individuals who do not otherwise have access to such
3 information, unless such disclosure is in response to a
4 complaint or charge or in furtherance of an investigation,
5 proceeding, hearing, or action under section 6(d), includ-
6 ing an investigation conducted by the employer. Nothing
7 in this subsection shall be construed to limit the rights
8 of an employee provided under any other provision of
9 law.”.

10 (c) ENHANCED PENALTIES.—Section 16(b) of the
11 Fair Labor Standards Act of 1938 (29 U.S.C. 216(b)) is
12 amended—

13 (1) by inserting after the first sentence the fol-
14 lowing: “Any employer who violates section 6(d)
15 shall additionally be liable for such compensatory
16 damages, or, where the employee demonstrates that
17 the employer acted with malice or reckless indifference,
18 punitive damages as may be appropriate, ex-
19 cept that the United States shall not be liable for
20 punitive damages.”;

21 (2) in the sentence beginning “An action to”,
22 by striking “either of the preceding sentences” and
23 inserting “any of the preceding sentences of this
24 subsection”;

1 (3) in the sentence beginning “No employees
2 shall”, by striking “No employees” and inserting
3 “Except with respect to class actions brought to en-
4 force section 6(d), no employee”;

5 (4) by inserting after the sentence referred to
6 in paragraph (3), the following: “Notwithstanding
7 any other provision of Federal law, any action
8 brought to enforce section 6(d) may be maintained
9 as a class action as provided by the Federal Rules
10 of Civil Procedure.”; and

11 (5) in the sentence beginning “The court in”—
12 (A) by striking “in such action” and in-
13 serting “in any action brought to recover the li-
14 ability prescribed in any of the preceding sen-
15 tences of this subsection”; and

16 (B) by inserting before the period the fol-
17 lowing: “, including expert fees”.

18 (d) ACTION BY SECRETARY.—Section 16(c) of the
19 Fair Labor Standards Act of 1938 (29 U.S.C. 216(c)) is
20 amended—

21 (1) in the first sentence—

22 (A) by inserting “or, in the case of a viola-
23 tion of section 6(d), additional compensatory or
24 punitive damages, as described in subsection
25 (b),” before “and the agreement”; and

(B) by inserting before the period the following: “, or such compensatory or punitive damages, as appropriate”;

(3) in the third sentence, by striking “the first sentence” and inserting “the first or second sentence”; and

11 (4) in the last sentence—

15 (B) by striking the period and inserting “;
16 or”; and

(C) by adding at the end the following:

18 “(2) in the case of a class action brought to en-
19 force section 6(d), on the date on which the indi-
20 vidual becomes a party plaintiff to the class action.”.

21 SEC. 4. TRAINING.

22 The Equal Employment Opportunity Commission
23 and the Office of Federal Contract Compliance Programs,
24 subject to the availability of funds appropriated under sec-
25 tion 10, shall provide training to Commission employees

1 and affected individuals and entities on matters involving
2 discrimination in the payment of wages.

3 **SEC. 5. NEGOTIATION SKILLS TRAINING FOR GIRLS AND
4 WOMEN.**

5 (a) PROGRAM AUTHORIZED.—

6 (1) IN GENERAL.—The Secretary of Labor,
7 after consultation with the Secretary of Education,
8 is authorized to establish and carry out a grant pro-
9 gram.

10 (2) GRANTS.—In carrying out the program, the
11 Secretary of Labor may make grants on a competi-
12 tive basis to eligible entities, to carry out negotiation
13 skills training programs for girls and women.

14 (3) ELIGIBLE ENTITIES.—To be eligible to re-
15 ceive a grant under this subsection, an entity shall
16 be a public agency, such as a State, a local govern-
17 ment in a metropolitan statistical area (as defined
18 by the Office of Management and Budget), a State
19 educational agency, or a local educational agency, a
20 private nonprofit organization, or a community-
21 based organization.

22 (4) APPLICATION.—To be eligible to receive a
23 grant under this subsection, an entity shall submit
24 an application to the Secretary of Labor at such

1 time, in such manner, and containing such information
2 as the Secretary of Labor may require.

3 (5) USE OF FUNDS.—An entity that receives a
4 grant under this subsection shall use the funds made
5 available through the grant to carry out an effective
6 negotiation skills training program that empowers
7 girls and women. The training provided through the
8 program shall help girls and women strengthen their
9 negotiation skills to allow the girls and women to obtain
10 higher salaries and rates of compensation that are equal to those paid to similarly situated male
11 employees.

13 (b) INCORPORATING TRAINING INTO EXISTING PRO-

14 GRAMS.—The Secretary of Labor and the Secretary of
15 Education shall issue regulations or policy guidance that
16 provides for integrating the negotiation skills training, to
17 the extent practicable, into programs authorized under—

18 (1) in the case of the Secretary of Education, the Elementary and Secondary Education Act of
19 1965 (20 U.S.C. 6301 et seq.), the Carl D. Perkins
20 Vocational and Technical Education Act of 1998 (20
21 U.S.C. 2301 et seq.), the Higher Education Act of
22 1965 (20 U.S.C. 1001 et seq.), and other programs
23 carried out by the Department of Education that the
24

1 Secretary of Education determines to be appropriate; and

3 (2) in the case of the Secretary of Labor, the
4 Workforce Investment Act of 1998 (29 U.S.C. 2801
5 et seq.), and other programs carried out by the De-
6 partment of Labor that the Secretary of Labor de-
7 termines to be appropriate.

8 (c) REPORT.—Not later than 1 year after the date
9 of enactment of this Act, and annually thereafter, the Sec-
10 retary of Labor and the Secretary of Education shall pre-
11 pare and submit to Congress a report describing the ac-
12 tivities conducted under this section and evaluating the ef-
13 fectiveness of such activities in achieving the purposes of
14 this Act.

15 **SEC. 6. RESEARCH, EDUCATION, AND OUTREACH.**

16 The Secretary of Labor shall conduct studies and
17 provide information to employers, labor organizations, and
18 the general public concerning the means available to elimi-
19 nate pay disparities between men and women, including—

20 (1) conducting and promoting research to de-
21 velop the means to correct expeditiously the condi-
22 tions leading to the pay disparities;

23 (2) publishing and otherwise making available
24 to employers, labor organizations, professional asso-
25 ciations, educational institutions, the media, and the

1 general public the findings resulting from studies
2 and other materials, relating to eliminating the pay
3 disparities;

4 (3) sponsoring and assisting State and commu-
5 nity informational and educational programs;

6 (4) providing information to employers, labor
7 organizations, professional associations, and other
8 interested persons on the means of eliminating the
9 pay disparities;

10 (5) recognizing and promoting the achievements
11 of employers, labor organizations, and professional
12 associations that have worked to eliminate the pay
13 disparities; and

14 (6) convening a national summit to discuss, and
15 consider approaches for rectifying, the pay dispari-
16 ties.

17 **SEC. 7. ESTABLISHMENT OF THE NATIONAL AWARD FOR**
18 **PAY EQUITY IN THE WORKPLACE.**

19 (a) IN GENERAL.—There is established the Secretary
20 of Labor's National Award for Pay Equity in the Work-
21 place, which shall be awarded, as appropriate, to encour-
22 age proactive efforts to comply with section 6(d) of the
23 Fair Labor Standards Act of 1938 (29 U.S.C. 206(d)).

24 (b) CRITERIA FOR QUALIFICATION.—The Secretary
25 of Labor shall set criteria for receipt of the award, includ-

1 ing a requirement that an employer has made substantial
2 effort to eliminate pay disparities between men and
3 women, and deserves special recognition as a consequence
4 of such effort. The Secretary shall establish procedures for
5 the application and presentation of the award.

6 (c) BUSINESS.—In this section, the term “employer”
7 includes—

8 (1)(A) a corporation, including a nonprofit cor-
9 poration;
10 (B) a partnership;
11 (C) a professional association;
12 (D) a labor organization; and
13 (E) a business entity similar to an entity de-
14 scribed in any of subparagraphs (A) through (D);

15 (2) an entity carrying out an education referral
16 program, a training program, such as an apprenticeship
17 or management training program, or a similar
18 program; and

19 (3) an entity carrying out a joint program,
20 formed by a combination of any entities described in
21 paragraph (1) or (2).

**1 SEC. 8. COLLECTION OF PAY INFORMATION BY THE EQUAL
2 EMPLOYMENT OPPORTUNITY COMMISSION.**

3 Section 709 of the Civil Rights Act of 1964 (42
4 U.S.C. 2000e-8) is amended by adding at the end the fol-
5 lowing:

6 “(f)(1) Not later than 18 months after the date of
7 enactment of this subsection, the Commission shall—

8 “(A) complete a survey of the data that is cur-
9 rently available to the Federal Government relating
10 to employee pay information for use in the enforce-
11 ment of Federal laws prohibiting pay discrimination
12 and, in consultation with other relevant Federal
13 agencies, identify additional data collections that will
14 enhance the enforcement of such laws; and

15 “(B) based on the results of the survey and
16 consultations under subparagraph (A), issue regula-
17 tions to provide for the collection of pay information
18 data from employers as described by the sex, race,
19 and national origin of employees.

“(2) In implementing paragraph (1), the Commission shall have as its primary consideration the most effective and efficient means for enhancing the enforcement of Federal laws prohibiting pay discrimination. For this purpose, the Commission shall consider factors including the imposition of burdens on employers, the frequency of required reports (including which employers should be required to

1 prepare reports), appropriate protections for maintaining
2 data confidentiality, and the most effective format for the
3 data collection reports.”.

4 **SEC. 9. REINSTATEMENT OF PAY EQUITY PROGRAMS AND**
5 **PAY EQUITY DATA COLLECTION.**

6 (a) BUREAU OF LABOR STATISTICS DATA COLLEC-
7 TION.—The Commissioner of Labor Statistics shall con-
8 tinue to collect data on women workers in the Current
9 Employment Statistics survey.

10 (b) OFFICE OF FEDERAL CONTRACT COMPLIANCE
11 PROGRAMS INITIATIVES.—The Director of the Office of
12 Federal Contract Compliance Programs shall ensure that
13 employees of the Office—

14 (1)(A) shall use the full range of investigatory
15 tools at the Office’s disposal, including pay grade
16 methodology;

17 (B) in considering evidence of possible com-
18 pensation discrimination—

19 (i) shall not limit its consideration to a
20 small number of types of evidence; and

21 (ii) shall not limit its evaluation of the evi-
22 dence to a small number of methods of eval-
23 uating the evidence; and

1 (C) shall not require a multiple regression analysis or anecdotal evidence for a compensation discrimination case;

4 (2) for purposes of its investigative, compliance, and enforcement activities, shall define “similarly situated employees” in a way that is consistent with and not more stringent than the definition provided in item 1 of subsection A of section 10–III of the Equal Employment Opportunity Commission Compliance Manual (2000), and shall consider only factors that the Office’s investigation reveals were used in making compensation decisions; and

13 (3) shall reinstate the Equal Opportunity Survey, as required by section 60–2.18 of title 41, Code of Federal Regulations (as in effect on September 7, 2006), designating not less than half of all non-construction contractor establishments each year to prepare and file such survey, and shall review and utilize the responses to such survey to identify contractor establishments for further evaluation and for other enforcement purposes as appropriate.

22 (c) DEPARTMENT OF LABOR DISTRIBUTION OF
23 WAGE DISCRIMINATION INFORMATION.—The Secretary of
24 Labor shall make readily available (in print, on the Department of Labor website, and through any other forum

1 that the Department may use to distribute compensation
2 discrimination information), accurate information on com-
3 pensation discrimination, including statistics, explanations
4 of employee rights, historical analyses of such discrimina-
5 tion, instructions for employers on compliance, and any
6 other information that will assist the public in under-
7 standing and addressing such discrimination.

8 **SEC. 10. AUTHORIZATION OF APPROPRIATIONS.**

9 (a) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated \$15,000,000 to carry
11 out this Act.

12 (b) PROHIBITION ON EARMARKS.—None of the funds
13 appropriated pursuant to subsection (a) for purposes of
14 the grant program in section 5 of this Act may be used
15 for a congressional earmark as defined in clause 9(d) of
16 rule XXI of the Rules of the House of Representatives.

17 **SEC. 11. SMALL BUSINESS ASSISTANCE.**

18 (a) EFFECTIVE DATE.—This Act and the amend-
19 ments made by this Act shall take effect on the date that
20 is 6 months after the date of enactment of this Act.

21 (b) TECHNICAL ASSISTANCE MATERIALS.—The Sec-
22 retary of Labor and the Commissioner of the Equal Em-
23 ployment Opportunity Commission shall jointly develop
24 technical assistance material to assist small businesses in

1 complying with the requirements of this Act and the
2 amendments made by this Act.

3 (c) SMALL BUSINESSES.—A small business shall be
4 exempt from the provisions of this Act to the same extent
5 that such business is exempt from the requirements of the
6 Fair Labor Standards Act pursuant to section 3(s)(1)(A)
7 (i) and (ii) of such Act.

8 **SEC. 12. RULE OF CONSTRUCTION.**

9 Nothing in this Act, or in any amendments made by
10 this Act, shall affect the obligation of employers and em-
11 ployees to fully comply with all applicable immigration
12 laws, including any penalties, fines, or other sanctions.

