

Strengthening Equal Pay Protections in Iowa: Questions and Answers SF137/HSB73



A bill under consideration in the Iowa General Assembly would provide explicit protection from pay discrimination based on protected class status for equal work. The bill would further protect Iowans left vulnerable under new loopholes in the federal law and enhance the penalties for employers who engage in wage discrimination. While pay discrimination is not the primary cause for the wage gap, protection for equal pay is the foundation of any efforts to encourage women to enter “non-traditional” career fields, develop career plans, and/or learn to negotiate salaries and promotions. Without a basic guarantee of equal pay for equal work, any other strategy will be ultimately unsuccessful.

The bill includes three main components:

- Codification of pay discrimination in Iowa Civil Rights Code
- Clarification of when a complainant has a cause of action
- Enhanced penalties for employers who are found to have discriminated

Don't we already have protection against pay discrimination? Why does Iowa need this?

Yes, there are some protections against pay discrimination in the Iowa Civil Rights Code and in the 1963 federal Equal Pay Act. However, recent case law has proven the limits of both laws in protecting the rights of workers. The Ledbetter Supreme Court decision (2007) found that, although the plaintiff had been discriminated against for several years before she learned about it in an anonymous note, the statute of limitations (180 days) under which she should ostensibly have filed a complaint had passed years before discovery; therefore, it was decided she was not entitled to redress. As most private employers prohibit the discussion of salaries, the Ledbetter case opens a large loophole in the law essentially creating a temptation for employers to pay some employees less than others if the discrimination can remain undiscovered for at least 180 days (300 days under Iowa law). The clarification in the bill about when a complainant has a cause of action remedies this loophole.

The Ledbetter Fair Pay Act was the first bill signed into law by President Obama on January 29. But Iowa still needs its own law to better protect workers from pay discrimination for several reasons, including that federal law only applies to employers with 15 or more employees, and an Iowa law would apply to those with 4 or more employees.

Could it be bad for Iowa's businesses if we enhance the penalties for pay discrimination?

By far, most employers in Iowa do not engage in pay discrimination, and will be unaffected. For any who are found to have discriminated, the proposed penalties could be up to triple the back wage differential owed to the worker for the duration that discrimination has been proved. The strict penalties are proposed to deter the very few unethical employers who might otherwise be tempted to discriminate and who would likely successfully avoid detection under the common employment policy of not discussing wages.

With a shortage of qualified workers for high-skill jobs, Iowa cannot afford to lose its educated women to states that offer better economic opportunities. For instance, in addition to higher overall wages, women in their 30s with a bachelor's attainment in Minnesota earn **85%** of what their male counterparts men earn¹, while Iowa women in their 30s with a bachelor's attainment earn only **80%** of what their male counterparts earn². The addition of protection of equal pay for gender and other protected classes would make Iowa's equal pay laws some of the most comprehensive in the nation, making Iowa a more attractive place for women and families to earn a good living.

¹ “Gender Gap: Women in their 20s and 30s.” Minnesota’s Office on the Economic Status of Women (2008).

² “The Wage Gap for Iowa Women in their 20s and 30s.” Iowa Commission on the Status of Women (2008).