

FEDERAL CONTRACTS: PRESIDENT OBAMA'S EXECUTIVE ACTION REGARDING EQUAL PAY

Employers' Advisor Blog Archives
April 14, 2014

Attorneys

Elizabeth McPhail

On Tuesday, April 8, 2014, President Obama took two executive actions, designed (in the White House's words) "to help combat pay discrimination and strengthen enforcement of equal pay laws." The "[Fact Sheet](#)" on the White House website describes the President's executive actions as follows:

- The President is signing an [Executive Order](#) prohibiting federal contractors from retaliating against employees who choose to discuss their compensation. The Executive Order does not compel workers to discuss pay, nor does it require employers to publish or otherwise disseminate pay data – but it does provide a critical tool to encourage pay transparency, so workers have a potential way of discovering violations of equal pay laws and are able to seek appropriate remedies.
- In addition, the President is signing a [Presidential Memorandum](#) instructing the Secretary of Labor to establish new regulations requiring federal contractors to submit to the Department of Labor summary data on compensation paid to their employees, including data by sex and race. The Department of Labor will use the data to encourage compliance with equal pay laws and to target enforcement more effectively by focusing efforts where there are discrepancies and reducing burdens on other employers.

It is yet to be seen what the impact of the Executive Order and directive to the Secretary of Labor to establish new regulations will be on federal contractors and subcontractors subject to [Executive Order 11246](#), but it most certainly will include some retooling of your Affirmative Action Plan and reviewing your recordkeeping to create what the White House refers to as "pay transparency."