
A BILL FOR AN ACT

RELATING TO EQUAL PAY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature is committed to ensuring that
2 women and men are paid equally for work that is substantially
3 equal with respect to the skill, effort, and responsibility
4 required to perform the work and the conditions under which the
5 work is performed. The legislature recognizes that Act 108,
6 Session Laws of Hawaii 2018, is a significant step toward
7 ensuring that the pay disparity between men and women
8 diminishes. However, more needs to be done.

9 The American Association of University Women reports that
10 in 2017, median annual earnings for women in Hawaii were just
11 eighty-one per cent of men's earnings, which represents an
12 almost twenty per cent gap. Hawaii ranks twenty-third in income
13 equality out of all states and the District of Columbia,
14 according to the most recent census data. Furthermore, native
15 Hawaiian and other Pacific islander women earn only sixty-two
16 per cent of white male earnings nationally, while Hispanic women
17 earn fifty-three per cent of white male earnings.



1 Hawaii has led the way in civil rights. This Act proposes
2 to establish Hawaii as a leader in the area of pay equity and
3 clarifies that Hawaii's law is more protective of pay equity
4 rights than the federal Equal Pay Act of 1963 or Title VII of
5 the Civil Rights Act of 1964. It is not the intent of the
6 legislature to affect or diminish the existing, broader
7 protections provided under part I of chapter 378, Hawaii Revised
8 Statutes.

9 The purpose of this Act is to:

- 10 (1) Amend the list of protected classes under Hawaii's
11 equal pay statute to make the protections afforded by
12 this section consistent with the state statute that
13 prohibits employment discrimination;
- 14 (2) Clarify the factors that can be used by employers to
15 justify differences in compensation based on
16 seniority, merit, or other non-discriminatory
17 purposes;
- 18 (3) Provide pay transparency by requiring employers to
19 make salary range information available to employees
20 and job candidates, which will help employers manage
21 their pay expenses and encourage pay equity; and



1 (4) Update the term "equal work" as used in state non-
2 discrimination statutes to "substantially similar
3 work," which is the more accurate term used in many
4 other states.

5 SECTION 2. Section 378-2.3, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "~~§378-2.3~~ **Equal pay**~~[, sex discrimination]~~. (a) No
8 employer shall discriminate ~~[between]~~ among employees ~~[because~~
9 ~~of sex,]~~ by paying ~~[wages]~~ compensation to employees ~~[in an~~
10 ~~establishment]~~ at a rate less than the rate at which the
11 employer pays ~~[wages]~~ compensation to employees of ~~[the~~
12 ~~opposite]~~ another race, sex [in the establishment] including
13 gender identity or expression, sexual orientation, age,
14 religion, color, ancestry, disability, marital status, arrest
15 and court record, or domestic or sexual violence victim status
16 for ~~[equal]~~ substantially similar work ~~[on jobs the performance~~
17 ~~of which requires equal]~~ when viewed as a composite of skill,
18 effort, and responsibility, ~~[and that are]~~ performed under
19 similar working conditions. ~~[Payment]~~



1 (b) Compensation differentials [resulting from:] do not
2 violate this section if the employer demonstrates that the
3 differential solely results from any of the following factors:

4 (1) A non-discriminatory seniority system; provided that
5 time spent on leave due to a pregnancy-related
6 condition or parental, family, or medical leave, shall
7 not reduce seniority;

8 (2) A non-discriminatory merit system;

9 (3) A system that objectively measures earnings by
10 quantity or quality of production; or

11 ~~(4) A bona fide occupational qualification; or~~

12 ~~(5) A differential based on any other permissible factor~~
13 ~~other than sex[.]~~

14 ~~do not violate this section.]~~

15 (4) A factor that has neither the purpose nor the effect
16 of discriminating on any basis prohibited by this
17 section.

18 (c) For the purposes of subsection (b) (4), a factor has
19 the purpose of discriminating on a basis prohibited by this
20 section if its general use or application in a particular case
21 is motivated, in whole or in part, by considerations of race,



1 sex including gender identity or expression, sexual orientation,
2 age, religion, color, ancestry, disability, marital status,
3 arrest and court record, or domestic or sexual violence victim
4 status.

5 (d) An employer who pays a wage in violation of this
6 section shall not, in order to comply with the provisions of
7 this section, reduce the wage rate of any employee.

8 (e) The agreement of an employee to work for less than the
9 wage to which the employee is entitled under this section is not
10 a defense to an action under this section.

11 ~~[(b)]~~ (f) An employer shall not retaliate or discriminate
12 against an employee for, nor prohibit an employee from,
13 disclosing the employee's wages, discussing and inquiring about
14 the wages of other employees, or aiding or encouraging other
15 employees to exercise their rights under this section."

16 SECTION 3. Section 378-2.4, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "[+] §378-2.4 [{}]" **Employer inquiries into and consideration**
19 **of salary or wage history.** (a) No employer, employment agency,
20 or employee or agent thereof shall:



1 (1) Inquire about the salary history of an applicant for
2 employment; or

3 (2) Rely on the salary history of an applicant in
4 determining the salary, benefits, or other
5 compensation for the applicant during the hiring
6 process, including the negotiation of an employment
7 contract.

8 (b) Notwithstanding subsection (a), an employer,
9 employment agency, or employee or agent thereof, without
10 inquiring about salary history, may engage in discussions with
11 an applicant for employment about the applicant's expectations
12 with respect to salary, benefits, and other compensation;
13 provided that if an applicant voluntarily and without prompting
14 discloses salary history to an employer, employment agency, or
15 employee or agent thereof, the employer, employment agency, or
16 employee or agent thereof, may consider salary history in
17 determining salary, benefits, and other compensation for the
18 applicant, and may verify the applicant's salary history.

19 (c) This section shall not apply to:

20 (1) Applicants for internal transfer or promotion with
21 their current employer;



1 (2) Any attempt by an employer, employment agency, or
2 employee or agent thereof, to verify an applicant's
3 disclosure of non-salary related information or
4 conduct a background check; provided that if a
5 verification or background check discloses the
6 applicant's salary history, that disclosure shall not
7 be relied upon during the hiring process for purposes
8 of determining the salary, benefits, or other
9 compensation of the applicant, including the
10 negotiation of an employment contract; and

11 (3) Public employee positions for which salary, benefits,
12 or other compensation are determined pursuant to
13 collective bargaining.

14 (d) An employer shall provide the pay scale for a position
15 to an applicant applying for employment and disclose the factors
16 the employer considers in setting salary levels.

17 (e) Upon hire, and thereafter annually and upon request,
18 an employer shall provide an employee the wage range for the
19 employee's job title and for jobs within the employer's business
20 that are substantially similar with respect to the skill,



1 effort, and responsibility required to perform the jobs and the
2 conditions under which the jobs are performed.

3 (f) An employer shall disclose an hourly rate or salary
4 range in all job listings.

5 (g) An unlawful employment practice in violation of this
6 section and section 378-2.3 occurs when:

7 (1) An employer adopts a discriminatory compensation
8 decision or discriminatory practice;

9 (2) An individual becomes subject to the discriminatory
10 compensation decision or practice; or

11 (3) An individual is affected by application of the
12 discriminatory compensation decision or practice,
13 including each time wages, benefits, or other
14 compensation are paid.

15 (h) For purposes of this section and section 378-2.3, the
16 meaning of "compensation" is to be construed broadly and shall
17 include but not be limited to use of or access to employee
18 expense accounts, use of a vehicle, housing, travel budgets,
19 cost reimbursements, paid vacation or sick leave, sabbatical
20 benefits, endowed chairs, insurance, stock options, pension
21 contributions, and other employee benefits.



1 [~~d~~] (i) For purposes of this section:
2 "Inquire" means to:
3 (1) Communicate any question or statement to an applicant
4 for employment, an applicant's current or prior
5 employer, or a current or former employee or agent of
6 the applicant's current or prior employer, in writing,
7 verbally, or otherwise, for the purpose of obtaining
8 an applicant's salary history; or
9 (2) Conduct a search of publicly available records or
10 reports for the purpose of obtaining an applicant's
11 salary history;
12 provided that this shall not include informing an applicant, in
13 writing or otherwise, about the proposed or anticipated salary
14 or salary range for the position.
15 "Salary history" includes an applicant for employment's
16 current or prior wage, benefits, or other compensation, but
17 shall not include any objective measure of the applicant's
18 productivity, such as revenue, sales, or other production
19 reports."



1 SECTION 4. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 5. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval.



Report Title:

Equal Pay; Salary or Wage History; Employment

Description:

Conforms statutory prohibitions against wage discrimination with other prohibitions on employment discrimination. Clarifies allowable justifications for compensation differentials and remedies for pay disparity. Requires employers to disclose wage ranges to employees and prospective employees. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

