

# The Death of the 'Salary History' Question



Public pressure, a major new court ruling and new state and local laws are pushing more employers to make the decision to stop asking applicants how much they've been paid at previous jobs.

So far, about a dozen states and more than 150 municipalities make it unlawful to ask about past salary information on job applications. It's an effort to narrow wage gaps that may harm women and members of minority groups. The theory is that knowing how much those applicants currently earn may cause lower starting pay offers, perpetuating pay disparities.

**Just last month**, in a closely watched case, a federal circuit covering nine Western states ruled that hiring managers should never consider past pay when setting starting pay for new employees. (*Rizo v. Fresno County*, 9th Cir.)

"It's a sea change for a lot of employers, but it's the way the law is trending," says attorney Fred Plevin of Paul



Plevin in San Diego. "And if you're working with recruiters, make clear about this restriction, because you can be held liable for what they ask."

Plevin notes, however, that asking applicants "What are your salary expectations?" would still be legal.

Most employers say the end of the salary history question hasn't been a problem. A new WorldatWork **survey** found that 44% of employers that have banned asking candidates about their salary history report that doing so has been very or extremely simple. Only 9% reported it very difficult.

Some business groups worried that "no salary history" ordinances would lead to employers overpaying new hires. "But when hiring managers and recruiters are educated and given reliable compensation data on market rates and pay ranges, the need for a candidate's salary history diminishes," said Sue Holloway, WorldatWork director of executive compensation strategy.

**Advice:** Dropping the salary history question is just one proactive step toward avowing gender pay disparities. In addition to basing all pay on employee experience, skill and education, now's the time to conduct a pay-equity audit to spot gender differences before a lawyer does.

**Online resource:** More than 40 states have their own laws on equal pay for women. Find a summary of each state law at [www.theHRSpecialist.com/equalpay](http://www.theHRSpecialist.com/equalpay).