

Challenge to Philadelphia Wage Equity Law On Again

When Philadelphia enacted its so-called wage equity ordinance earlier this year, it was poised to become the first city in the country to prohibit salary history inquiries during the hiring process. Since then, a legal challenge by the Chamber of Commerce for Greater Philadelphia has stymied enforcement. While dismissing its initial complaint for lack of standing to bring suit, a federal judge gave the Chamber leave to file an amended complaint, which it did on June 13. Employers will want to closely monitor developments.

Background

Earlier this year, Philadelphia enacted its so-called wage equity ordinance to ban salary history inquiries by most employers and employment agencies, or condition job interviews or employment on the disclosure of wage history. The ordinance was slated to take effect on May 23. Before it did, the Chamber of Commerce for Greater Philadelphia sued to block its implementation and enforcement, and sought a preliminary injunction to prevent the ordinance from being enforced during the pendency of the lawsuit. The U.S. District Court for the Eastern District of Pennsylvania temporarily stayed the effective date of the ordinance pending resolution of the motion, but ordered the parties to address whether the Chamber had legal standing to bring the lawsuit. (See our [April 28, 2017 For Your Information.](#))

On May 30, District Judge Mitchell S. Goldberg dismissed the Chamber's suit, ruling that the organization failed to establish that it had standing to bring the action. However, the dismissal was without prejudice, and the court gave the Chamber 14 days to file an amended complaint. In a [statement](#) released after the ruling, the city said that it would not enforce the ordinance until the Chamber's motion for preliminary injunction was resolved if the Chamber timely filed an amended complaint that cured its standing defects. (See our [June 9, 2017 For Your Information.](#))

Amended Complaint Filed

On June 13, the Chamber filed an amended complaint, seeking to make clear that it had standing to challenge the city ordinance. The amended complaint alleges that the ordinance would "significantly disadvantage" Philadelphia businesses and intrude in their hiring and



decision-making process. It explains how both the Chamber in its capacity as an employer and its members inquire about and use wage history during the hiring process. Supporting affidavits from the Chamber as well as a dozen large and small businesses specifically address how they would be harmed by the salary history ban.

In Closing

With the Chamber's legal challenge renewed, Philadelphia's wage equity ordinance that was to take effect May 23 remains on hold for now. Employers should closely monitor further developments.

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