

Senate File 187 - Introduced

SENATE FILE 187

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A BILL FOR

1 An Act relating to wage discrimination under the Iowa civil
2 rights Act of 1965 and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. SHORT TITLE. This Act shall be known and may be
2 cited as the "Pay Transparency and Fairness Act".

3 Sec. 2. Section 216.6A, Code 2025, is amended by adding the
4 following new subsection:

5 NEW SUBSECTION. 2A. It shall be an unfair or discriminatory
6 practice for any employer or agent of any employer to do any of
7 the following:

8 a. Require, as a condition of employment, that an employee
9 refrain from disclosing, discussing, or sharing information
10 about the amount of the employee's wages, benefits, or
11 other compensation or from inquiring, discussing, or sharing
12 information about any other employee's wages, benefits, or other
13 compensation.

14 b. Require, as a condition of employment, that an employee
15 sign a waiver or other document that requires an employee to
16 refrain from engaging in any of the activities permitted under
17 paragraph "a".

18 c. Discriminate or retaliate against an employee for engaging
19 in any of the activities permitted under paragraph "a".

20 d. Seek salary history information, including but not limited
21 to information on compensation and benefits, from a potential
22 employee as a condition of a job interview or employment.

23 This paragraph shall not be construed to prohibit a prospective
24 employer from asking a prospective employee what salary level the
25 prospective employee would require in order to accept a job.

26 e. Release the salary history, including but not limited
27 to information on compensation and benefits, of any current or
28 former employee to any prospective employer in response to a
29 request as part of an interview or hiring process without written
30 authorization from such current or former employee.

31 f. Publish, list, or post within the employer's organization,
32 with any employment agency, job-listing service, or internet
33 site, or in any other public manner, an advertisement to recruit
34 candidates for hire or independent contractors to fill a position
35 within the employer's organization without including the minimum

1 rate of pay of the position. The rate of pay may be by the hour,
2 shift, day, week, salary, piece, commission, or other applicable
3 rate. The rate of pay shall include overtime and allowances,
4 if any, claimed as part of the minimum wage, including but not
5 limited to tipped wages.

6 g. Pay a newly hired employee at less than the rate of pay
7 advertised for the employee's position under paragraph "f".

8 Sec. 3. Section 216.6A, subsection 3, Code 2025, is amended
9 to read as follows:

10 3. a. It shall be an affirmative defense to a claim arising
11 under this section if any of the following applies:

12 a. (1) Payment of wages is made pursuant to a seniority
13 system.

14 b. (2) Payment of wages is made pursuant to a merit system.

15 c. (3) Payment of wages is made pursuant to a system which
16 that measures earnings by quantity or quality of production.

17 d. (4) Pay differential is based on any other bona fide
18 factor other than the age, race, creed, color, sex, sexual
19 orientation, gender identity, national origin, religion, or
20 disability of such employee, including but not limited to a bona
21 fide factor relating to education, training, or experience. This
22 affirmative defense shall apply only if the employer demonstrates
23 that the factor is not based on or derived from a differential
24 in compensation based on age, race, creed, color, sex, sexual
25 orientation, gender identity, national origin, religion, or
26 disability; is job related with respect to the position in
27 question; and is consistent with a business necessity. For
28 purposes of this subparagraph, "business necessity" means an
29 overriding legitimate business purpose such that the factor
30 relied upon effectively fulfills the business purpose it is
31 supposed to serve. This affirmative defense shall not apply if
32 the employee demonstrates that an alternative business practice
33 exists that would serve the same business purpose without
34 producing the wage differential.

35 b. An affirmative defense under this subsection is not

1 applicable unless one or more of the defenses listed in paragraph
2 "a" account for the entire pay differential that is the subject
3 of the claim.

4 EXPLANATION

5 The inclusion of this explanation does not constitute agreement with
6 the explanation's substance by the members of the general assembly.

7 This bill relates to wage discrimination under Code chapter
8 216, the Iowa civil rights Act of 1965.

9 The bill establishes additional unfair or discriminatory
10 practices relating to wages under Code section 216.6A.
11 Penalty and remedial provisions for discriminatory employment
12 practices, including penalties specific to wage discrimination,
13 are applicable under Code chapter 216 to violations of these
14 requirements.

15 The bill prohibits an employer from requiring an employee
16 to refrain from disclosing, discussing, or sharing information
17 about the amount of the employee's wages, benefits, or
18 other compensation or from inquiring, discussing, or sharing
19 information about any other employee's wages, benefits, or other
20 compensation as a condition of employment. The bill prohibits
21 an employer from requiring an employee to sign a waiver or other
22 document that requires an employee to refrain from engaging in
23 any of those activities as a condition of employment. The bill
24 prohibits an employer from discriminating or retaliating against
25 an employee for engaging in any of the activities.

26 The bill prohibits an employer from seeking salary history
27 information from a potential employee as a condition of a job
28 interview or employment. This provision shall not be construed
29 to prohibit a prospective employer from asking a prospective
30 employee what salary level the prospective employee would require
31 in order to accept a job.

32 The bill prohibits an employer from releasing the salary
33 history of any current or former employee to any prospective
34 employer in response to a request as part of an interview or
35 hiring process without written authorization from such current or

1 former employee.

2 The bill prohibits an employer from publishing, listing, or
3 posting within the employer's organization, with any employment
4 agency, job-listing service, or internet site, or in any other
5 public manner, an advertisement to recruit candidates for hire or
6 independent contractors to fill a position within the employer's
7 organization without including the minimum rate of pay of the
8 position. The rate of pay shall include overtime and allowances,
9 if any, claimed as part of the minimum wage, including but not
10 limited to tipped wages. The bill prohibits an employer from
11 paying a newly hired employee at less than the rate of pay
12 advertised for the employee's position.

13 Under current law, an employer has an affirmative defense to
14 a claim under Code section 216.6A if a pay differential is based
15 on any other factor other than prohibited wage discrimination.
16 The bill provides that an employer has an affirmative defense
17 to a claim under Code section 216.6A if a pay differential
18 is based on any other bona fide factor other than prohibited
19 discrimination, including but not limited to a bona fide factor
20 relating to education, training, or experience. However, this
21 affirmative defense shall only apply if the employer demonstrates
22 that the factor is not based on or derived from prohibited wage
23 discrimination, is job related with respect to the position in
24 question, and is consistent with a business necessity. The bill
25 defines "business necessity" as an overriding legitimate business
26 purpose such that the factor relied upon effectively fulfills
27 the business purpose it is supposed to serve. This affirmative
28 defense shall not apply if the employee demonstrates that an
29 alternative business practice exists that would serve the same
30 business purpose without producing the wage differential.

31 The bill provides that affirmative defenses to a claim under
32 Code section 216.6A are not applicable unless one or more of
33 the defenses account for the entire pay differential that is the
34 subject of the claim.