AN ACT to amend the labor law, in relation to prohibiting wage differentials based on protected class status

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The section heading and subdivisions 1 and 2 of section 194 of the labor law, the section heading as added by chapter 548 of the laws of 1966, subdivision 1 as amended and subdivision 2 as added by chapter 362 of the laws of 2015, are amended to read as follows:

Differential in rate of pay because of [sex] protected class status prohibited. 1. No employee with status within one or more protected class or classes shall be paid a wage at a rate less than the rate at which an employee of the opposite sex without status within the same protected class or classes in the same establishment is paid for: (a) equal work on a job the performance of which requires equal skill, effort and responsibility, and which is performed under similar working conditions, or (b) substantially similar work, when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions; except where payment is made pursuant to a differential based on:

[a] (i) a seniority system;
[b] (ii) a merit system;
[c] (iii) a system which measures earnings by quantity or quality of production; or
[d] (iv) a bona fide factor other than [sex] status within one or more protected class or classes, such as education, training, or experience. Such factor: (A) shall not be based upon or derived from a sex-based differential in compensation based on status within one or more protected class or classes and (B) shall be job-related with respect to the position in question and shall be consistent with busi-

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

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ness necessity. Such exception under this paragraph shall not apply when
the employee demonstrates [(A)] (1) that an employer uses a particular
employment practice that causes a disparate impact on the basis of [sex]
status within one or more protected class or classes, [(B)] (2) that an
alternative employment practice exists that would serve the same busi-
ness purpose and not produce such differential, and [(C)] (3) that the
employer has refused to adopt such alternative practice.

2. For the purpose of subdivision one of this section: (a) "busi-
ness necessity" shall be defined as a factor that bears a manifest
relationship to the employment in question, and (b) "protected class"
shall include age, race, creed, color, national origin, sexual orien-
tation, gender identity or expression, military status, sex, disability,
predisposing genetic characteristics, familial status, marital status,
or domestic violence victim status, and any employee protected from
discrimination pursuant to paragraphs (a), (b), and (c) of subdivision
one of section two hundred ninety-six and any intern protected from
discrimination pursuant to section two hundred ninety-six-c of the exec-
utive law.

§ 2. This act shall take effect on the ninetieth day after it shall
have become a law.