AN ACT to amend the labor law, in relation to the prohibition of a differential rate of pay on the basis of 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 subdivision 1 of section 194 of the labor law, the section heading as added by chapter 548 of the laws of 1966 and subdivision 1 as amended 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. "Protected class" includes the list of categories protected from discrimination pursuant to paragraph (a) of subdivision one of section two hundred ninety-six of the executive law.

1-a. No employee who is a member of a protected class shall be paid a wage at a rate less than the rate at which an employee of the opposite sex who is not a member of the protected class is paid for equal work on a job the performance of which requires equal skill, effort and responsibility, and which is performed under similar working conditions 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. a seniority system;
b. a merit system;
c. a system which measures earnings by quantity or quality of production; or
d. a bona fide factor other than sex the protected class status, such as education, training, or experience. Such factor: (i) shall not be based upon or derived from a sex-based differential in compensation that was originally derived from a protected class status and

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.
(ii) shall be job-related with respect to the position in question and shall be consistent with business necessity. Such exception under this paragraph shall not apply when the employee demonstrates (A) that an employer uses a particular employment practice that causes a disparate impact on the basis of [sex] protected class status, (B) that an alternative employment practice exists that would serve the same business purpose and not produce such differential, and (C) that the employer has refused to adopt such alternative practice.

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