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Proposed Rule Prohibiting Pay Secrecy Policies

The OFCCP has announced a Notice of Proposed Rulemaking (NPRM) to prohibit pay secrecy policies and actions by federal contractors and subcontractors. This NPRM would prohibit federal contractors and subcontractors from discriminating against employees and applicants who discuss, disclose or inquire about their own compensation or the compensation of other employees or applicants.

According to OFCCP Director, Patricia Shiu, "Workers cannot solve a problem unless they are able to identify it. And they cannot identify it if they aren't free to talk about it without fear of reprisal." This proposed rule would implement Executive Order 13665 that President Obama signed in April.

The NPRM proposes:

- The Executive Order 11246 Equal Opportunity Clause be amended to include the requirement that federal contractors and subcontractors must not discharge or discriminate against employees or applicants who inquire about, discuss, or disclose their compensation or the compensation of other employees or applicants; and
- The new nondiscrimination requirement must be included in employee handbooks or manuals and also disseminated to all employees and applicants.

This NPRM was published in the September 17th issue of the Federal Register and is open to public comment for a period of 90 days. The provision applies to federal contractors and subcontractors with a federal contract valued at \$10,000 or more and entered into or modified on or after the effective date of a final ruling.

We will continue to monitor this latest action. In the meantime, if you have any questions or concerns, please feel free to contact **Robin Martocci** at rmartocci@wigginc.com or 860-297-3710 or **John Zandy** at jzandy@wigginc.com or 203-498-4330.

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