

CO Equal Pay for Equal Work Act, Effective January 1, 2021

Pay same rate for substantially similar work

- An employer shall not discriminate between employees on the basis of sex, or on the basis of sex in combination with another protected status, by paying an employee of one sex a wage rate less than the rate paid to an employee of a different sex for substantially similar work, regardless of job title.
- A wage rate differential is permissible if at least one of the following factors accounts for the entire wage rate differential:
 - A seniority system;
 - A merit system;
 - A system that measures earnings by quantity or quality of production;
 - The geographic location where the work is performed;
 - Education, training, or experience to the extent that they are reasonably related to the work in question; or
 - Travel, if the travel is a regular and necessary condition of the work performed

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 Recordkeeping: Required to keep records of job descriptions and wage rate history for each employee during employment and for two years after employment ends

• Notice Requirements:

- Job Openings: must disclose in each posting for each job opening the hourly or salary compensation, or a range of the hourly or salary compensation, and a general description of all of the benefits and other compensation to be offered to the hired applicant.
- <u>Promotional Opportunities</u>: must announce, post, or otherwise make known all opportunities for promotion to all current employees on the same calendar day and prior to making a promotion decision.
- Pay History Prohibitions: Impermissible to seek the wage rate history of a prospective employee or rely on the wage rate history of a prospective employee to determine a wage rate
- Pay Transparency: Employees are expressly permitted to disclose or discuss their pay
- Rights of Action: Employees may go directly to court without pursuing or exhausting an administrative remedy first

Project Approach

- University-wide review since early 2020 led by System Human Resources, DEI Office, and University Counsel in partnership with CU campuses
- Advisory Committee:
 - Made up of faculty and staff across the CU system
- Consultant hired to review and assess CU's compensation policies and practices and to evaluate salaries across positions that perform substantially similar work
- Reviewing Regent Laws and Policies at System level
- Reviewing each campus as separate entity (comparing substantially similar roles within each campus but not across the system)

Project Activities

Activities Aon CU Campus orientations **Data Collection** Provide data and documents & Planning Develop data requests Interviews and review policies Meetings on compensation policies and practices Compensation Feedback on findings and Review Review findings and recommendations recommendations with CU Legal assessment of current practices **Legal Review** Feedback on legal findings Provide guidance re state and federal laws Assist in identifying groups doing Finalize job groups **Pay Equity** similar work Conduct pay equity analysis **Analysis** Review modeling results and Present pay gap analysis findings outliers Review overall recommendations **Presentations &** Present recommendations to and develop a plan to implement **Action Plan** leadership and project sponsors recommended changes

What We Know

- New Requirements:
 - Limits decision making for raises managers' discretion is not defensible
 - External pay history cannot be a factor for internal pay
 - Transparency in promotions must be posted
 - Market factors no longer justify pay disparities
 - Job duties are most critical, not titles
- All job descriptions must be up-to-date and use consistent template

What Will Not Change

- We are not anticipating:
 - widespread salary changes
 - reducing or eliminating jobs
 - changes to working titles or job duties

What We Have Done

- HR at front-end of all position and personnel requests
- Developed job families with unique compensation codes
- Created pay ranges for each level within a job family using market data

What We Are Working On

- Reviewing/creating job descriptions for all employees
 - Includes students, temps, and working retirees
- Comparing duties and grouping jobs across all departments
- Slotting positions within compensation structure
- Finalizing job leveling matrix
 - i.e. what are the requirements for a professional vs. senior professional?
- Reviewing current policies and procedures to ensure compliance

What We Recognize

- This is a huge culture shift!
- There are many emotions tied to compensation and classification
- Transparency is key
- EPA Website: https://www.cu.edu/employee-services/cu-system-services/cu-system-administration/employee-resources/equal-pay

Thank You!

