Virginia's New Pay Transparency Law

By Adam L. Lounsbury & Teresa Burke Wright June 15, 2020

Meet the Authors



Adam L. Lounsbury
(He/Him)
Office Managing Principal and
Office Litigation Manager
804-212-2863
Adam.Lounsbury@jacksonlewis.com



Teresa Burke Wright
(She/Her)
Principal
(703) 483-8310
Teresa.Wright@jacksonlewis.com

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Employment Litigation Wage and Hour Virginia has adopted a pay transparency law that prohibits employers from discharging or taking any other retaliatory action against an employee for discussing wages or compensation with another employee. The new law was passed on April 22, 2020, and becomes effective on July 1, 2020.

Employees are protected when they inquire about, discuss or disclose information about their own or any other employee's wages, or when they file a complaint with the Department of Labor alleging a violation of this law.

The new law does not apply to "employees who have access to the compensation information of other employees or applicants ... as part of their essential job functions who disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information," unless that disclosure is in response to a formal complaint or charge, made in connection with an investigation, proceeding, hearing or action, or is consistent with a legal duty to disclose the information.

The Department of Labor and Industry may assess a civil penalty of up to \$100 per violation against an employer that violates the new law. Alleged violators may request an "informal conference" with the Labor Commissioner to contest alleged violations.

The pay transparency law is one of the many substantial changes Virginia has made to its discrimination, minimum wage, wage theft, and employee misclassification laws thus far in 2020. See our articles for details:

- Virginia Minimum Wage Increase Will Take Effect on May 1, 2021
- Virginia to Gradually Raise Minimum Wage
- <u>Virginia Enacts Wage Theft, Non-Compete Laws Amidst Flurry of New Employee</u>
 <u>Protections</u>
- Virginia Enacts Three Bills on Employee Misclassification
- Virginia Enacts Comprehensive Whistleblower Protection
- Virginia's Values Act Fundamentally Rewrites the Human Rights Act
- <u>Virginia Passes Law Defining Racial Discrimination to Include Hairstyles, Other</u> Historic Traits
- Virginia Clarifies New Requirement for Wage Payment Statements Applies to All Employees

For additional guidance on the new law or any other employment issue, please contact a Jackson Lewis attorney.

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