

April 14, 2021

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Minority Leader McCarthy:

The Society for Human Resource Management (SHRM) and our 300,000+ HR and business executive members strongly believe that employees should be compensated equitably and in a non-discriminatory manner. SHRM members have a unique perspective and expertise on the issue of pay equity as they are directly involved in developing and implementing compensation strategies that attract and retain talent. Our members, many of which represent small and mid-sized businesses, have concerns that H.R. 7, the Paycheck Fairness Act, would restrict their ability to base pay decisions on the legitimate business practices they currently use to determine compensation, such as professional experience, training, education, skills, and shift differentials.

HR professionals develop their compensation plans specific to their organization's mission, business strategy and culture—relying on market competition, employer size, whether the employer is public or private, level of product demand, and industry characteristics to influence their compensation strategy and philosophy. SHRM and our members strongly support equal pay for equal work, with allowable pay differences based on factors not prohibited by law.

While we agree that salary history should not be the sole factor in setting compensation, employers should have the ability to discuss salary expectations with prospective employees. Salary expectations help employers establish the value of the position to the organization as well as competitiveness of the market.

Employers design their pay structures to reflect the characteristics of their organizations, attract qualified applicants and retain employees who are drawn to the mix of work and rewards of their employer. As drafted, H.R. 7 would prohibit many of these legitimate pay practices while establishing unlimited punitive and compensatory liability and expanded class action litigation methods under the Equal Pay Act against employers of every size.

The voice of HR is critically important in developing workplace policies that benefit both workers and employers. SHRM looks forward to working with Congress to address this important workplace issue.

Sincerely,



Johnny C. Taylor, Jr., SHRM-SCP
President & CEO



Emily M. Dickens
Chief of Staff, Head of Government Affairs
& Corporate Secretary

CC: Members of the U.S. House of Representatives