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April 30, 2019

Senator Patricia D. Jehlen, Senate Chair
Representative Paul Brodeur, House Chair
Joint Committee on Labor and Workforce Development
State House
Boston, MA 02133

Re: AIM Letter in Opposition to H.1660, An Act promoting pay transparency and pipeline advancement

Dear Chair Jehlen, Chair Brodeur, and Committee members:

Associated Industries of Massachusetts (AIM), on behalf of its member companies, submits this testimony to the Joint Committee on Labor and Workforce Development in opposition to H.1660 an Act promoting pay transparency and pipeline advancement.

AIM agrees with the goal of pay equity and that is why we actively worked on and supported the pay equity law. We have actively worked with the Office of the Attorney General regarding pay equity regulations and educating Massachusetts employers. That legislation does provide several changes including pay transparency. Specifically, the legislation is intended to promote salary transparency, limit upfront questions to job candidates about salary history, and encourage companies to conduct reviews to detect pay disparities among other changes.¹

Since the law's passage and the creation of regulatory guidance, AIM's goal has been to help lead and support Massachusetts businesses with compliance related to the new law that impacts everything from the hiring process, job descriptions, annual evaluations, retention of staff, and wage analysis among several other issues that have a direct impact on the operation of a business.²

We have also been active members of the Boston's Women's Workforce Council and the 100% Percent Talent Women's Workforce Compact.³ AIM has also suggested that this voluntary approach be applied state wide rather than just the greater Boston area. AIM has members that would like to participate in the 100% Percent Talen Women's Workforce Compact, but because they are located in the Berkshires, Fall River, North Shore or Central Massachusetts they cannot participate. AIM has also been supportive of and recently presented to the Pay Equity Commission established by the Massachusetts pay equity law.

We are concerned that H.1660 represents an approach that is too bureaucratic and duplicative with existing federal regulations. We are also concerned because our members have been and

¹ <https://blog.aimnet.org/aim-issueconnect/senate-concurs-with-compromise-wage-equity-bill>

² <https://www.aimhrsolutions.com/compliance/products-services/pay-equity-assistance.cfm>

³ <https://www.bostonwomensworkforcecouncil.com/compact-signers>

continue to take efforts related to the pay equity law in addition to deploying other best practices beyond the statutory obligations.

At the federal level, employers are also responding to changes in the U.S. Equal Employment Opportunity Commission (EEOC) reporting requirements. Employers will be required to provide pay and hours data to the (EEOC) by September 30, 2019 as part of a *second* EEO-1 filing submission in 2019.

The EEO-1 filing submission will require employers to collect pay and “hours worked” data for 2017 and 2018 by September 30. The Revised EEO-1 Report applies to all employers with 100 or more employees. In addition to annually reporting on their employee populations by race/ethnicity and gender, the reinstated “Component 2” of the EEO-1 Report adjusts the requirement to also include year-end W-2 pay data and FLSA hours worked information. These new reporting obligations require employers to gather and merge information across multiple systems and then format their employee and establishment data to comply with the Revised EEO-1 Report specifications.

Thank you for taking AIM’s position into consideration. We appreciate the opportunity to comment on these and several other matters currently pending before the committee.

As always, should you have any questions please feel free to contact me directly at 617-262-1180 or bmacdougall@aimnet.org.

Sincerely,



Brad MacDougall
Vice President for Government Affairs
Associated Industries of Massachusetts (AIM)