

CLASS ACTION LAWSUIT ABUSE EQUAL PAY OPPORTUNITY ACT (EPOA)

Class Action litigation to enforce the pay transparency law has had and will continue to have a disastrous impact on Washington's economy.

Here's a snapshot of what has transpired over the past year and a half:

- Legislature passes pay transparency law in 2022, with an effective date of January 2023 (SB 5761)
 - Requires employers with 15 or more employees to include the wage scale or salary range, along with a general description of all benefits and other compensation, in each job posting. The law aims to promote equitable pay practices and enhance transparency in the hiring process.
 - The business community agreed with the intent of this law but was concerned with the enforcement mechanism, which allowed a private right of action.
- In the past two years, Equal Pay and Opportunity Act (EPOA) lawsuits have been filed against companies in nearly every industry, from small businesses to the largest employers in the state.
 - More than 215 class action lawsuits have been filed against employers
 - Approximately 100 of these cases have been filed by 9 named plaintiffs, with 6-20 cases filed by each of these people.
 - One plaintiffs' firm has filed approximately 150 of these cases.
 - Each of these cases has an amount in controversy exceeding \$5 million.
 - Of the cases moved to federal court, the potential liability exposure exceeds \$195 million.
 - Of the cases that remained in state court, the terms of settlements have been publicly filed with a maximum settlement of more than \$29 million (for an average of \$2 million per case).
 - If this average is applied to all 163 remaining cases, the resulting liability exposure exceeds \$326 million.
 - All combined, **this data reflects more than 215 employers in Washington facing at least \$500 million in potential liability.**
 - One such lawsuit is headed to the State Supreme Court
- In the 2024 legislative session, the business community requested lawmakers remedy this situation by defining "applicant" so that a person must have a sincere interest in the job. This bill was never given a hearing.
- The millions in settlements have benefited a few individuals and their counsel with no true harm occurring to the individuals. Several of the plaintiffs (in depositions) admitted that there was no interest in a job, several lived outside the state or applied for jobs located hours away from their residence and didn't complete the job application (yet filed a class action on behalf of others).
- Because businesses must choose to settle these cases to avoid financial ruin, many settle these lawsuits which impacts their liability insurance rates. Increased costs impact what consumers pay for goods and services.

**PLEASE HELP BUSINESSES AVOID COSTLY LITIGATION
REMOVE THE PRIVATE RIGHT OF ACTION AND ALLOW A RIGHT TO CURE WITH PENALTIES FOR
INACTION OR REPEAT VIOLATIONS**