

Special Alert

Hedge Up: A Heads-Up on Employment Issues Confronting the Hedge Fund and Private Equity Industries

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Special Alert: NYC to Ban Inquiries Regarding Applicants' Compensation History

Yesterday, the New York City Council passed a bill prohibiting firms from inquiring about, or relying on, an applicant's salary history in connection with the recruiting or hiring process. The bill, which would amend the New York City Human Rights Law, is currently on the Mayor's desk for signature. We are in the process of preparing a more thorough "Hedge Up" article on this topic, but we wanted to alert you to this development and relay a few important facts:

- The law does not go into effect until 180 days after being signed by the Mayor, so firms will not have to begin complying until at least early October 2017.
- Under the law, it will be an unlawful discriminatory practice for a firm, or an agent thereof, to ask about, or make a statement for the purpose of determining, the salary history of an applicant or to rely on the salary history, benefits or other compensation for such applicant, including during the negotiation of a contract.
- The law will also prohibit firms from searching public records for an applicant's compensation history.
- The law will permit firms to engage in discussions with prospective employees regarding the prospective employees' expectations with respect to salary and benefits.
- Firms will also be able to inform applicants about the proposed or anticipated salary range of the position at issue.
- If an employee voluntarily, and without prompting, discloses his/her salary to a firm, the firm may consider this information in determining future compensation and benefits.
- The law does not impact applicants for internal transfer or promotion.

We expect the New York City Commission on Human Rights to promulgate further guidance regarding the scope and application of the law in the months before it becomes effective.

We will be sending out a more comprehensive article in the coming days, but we wanted to share the basics above without delay.

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