

## Employers Can't Afford to Ignore Pay Equity

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A California judge recently approved a \$43 million settlement in an equal pay class action lawsuit against the Disney Corporation. The lawsuit, brought by a class of women, alleged that Disney treated female employees less favorably than their male counterparts, including by paying women less, overlooking women for promotions in favor of men, and requiring women to perform more work without extra pay while performing the same jobs as men. The settlement is intended to address the pay disparities of those affected by Disney's pay policies.

In New Jersey, the Diane B. Allen Equal Pay Act enacted in 2018, makes discrimination in wages on the basis of any protected class an unlawful employment practice. With the addition of the Pay Transparency Act in 2025, which requires employers to post salary ranges and benefits, among other obligations (see our blog on [Pay Transparency](#)), now is a key time for employers to undertake a pay analysis.

It is recommended that employers undertake both a retrospective audit to ascertain whether current employees are being treated equitably, as well as prospectively to identify potential issues with existing and future job opportunities. Equal pay claims do not require discriminatory intent and thus absent justification for the disparate pay, such as a bona fide seniority, merit or production-based system in place, employers may be liable. Further, failure to conduct an audit is not a defense to unequal wages for equal or substantially similar work, based on skill, effort, responsibility, and working conditions. With successful claims subject a six-year lookback to calculate damages and the application of treble damages (3 times), employers cannot afford to ignore pay equity.

### What Employers Should Do Now

The Disney case demonstrates what may happen if employers do not perform pay equity audits to ensure pay practices are compliant with all state and federal equal pay laws and that there is no disparate treatment of any protected class. If you need legal advice concerning pay equity and with a pay equity analysis, reach out to the [Employment Law Team](#) at Wilentz.

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