



# LEGAL ALERT

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## Colorado Prohibits Adverse Action Based on Employee's Discussion of Pay Information

*by Elizabeth J. McNamee and Kati Miller Rothgery*

On August 5, 2008, Colorado's new Wage Transparency Act took effect. This law prohibits employers from discharging, disciplining, discriminating against, or otherwise taking adverse action against an employee because the employee "inquired about, disclosed, compared or otherwise discussed the employee's wages." The law further prohibits employers from conditioning employment on: 1) the requirement that an employee refrain from disclosing information concerning his/her pay; and 2) an employee's agreement to waive his/her right to discuss pay.

The National Labor Relations Act has historically limited an employer's right to take action against employees who, while acting in concert, disclose information concerning their wages. The Wage Transparency Act, however, applies to an employer's dealings with individual employees. Only three other states—California, Michigan, and Illinois—have enacted similar laws.

To ensure compliance with the Wage Transparency Act, employers should review their employee handbooks, employment agreements, and other company policies, and make sure employees' rights to discuss wage information are not limited.

**For additional information regarding the content of this newsletter, please contact Elizabeth J. McNamee, Esq. at [emcnamee@swlaw.com](mailto:emcnamee@swlaw.com) | 303.634.2092 or Kati Miller Rothgery, Esq. at [krothgery@swlaw.com](mailto:krothgery@swlaw.com) | 303.634.2047.**