

## Philadelphia Issues Ordinance Regarding Use of Credit Checks

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On June 7, 2016, Philadelphia amended its Fair Practices Ordinance by adding a section prohibiting employers from obtaining or using credit-related information when making hiring, firing, promotion, discipline or other decisions affecting a term or condition of employment.

There are certain notable exceptions for employers who are law enforcement agencies or financial institutions, and several large loopholes. For example, the prohibition does not apply to employees who must be bonded, higher level employees with financial duties such as payments or collections, jobs requiring access to certain confidential or proprietary information, or jobs requiring access to financial information of customers, other employees or the employer itself. However, if credit information is used to deny an individual one of these jobs, the employer must disclose that fact and give the individual an opportunity to explain the circumstances.

Employees who handle credit card transactions in a retail setting are specifically protected by the law; employers cannot run credit checks before hiring anyone into such a setting.

All employers of one or more people are covered by the law. Employees or applicants who believe they have been harmed can file a complaint with the Philadelphia Commission on Human Relations and thereafter go to court. Available remedies include back pay, compensatory damages, punitive damages and attorneys' fees.

The law goes into effect on July 7, 2016. Employers who do business in Philadelphia and are using, or are considering using, any kind of credit related information in making employment decisions should consult with counsel before doing so.

If you need advice on this legislation or other labor and employment issues, contact Debbie Sandler (215.864.6203; [sandlerd@whiteandwilliams.com](mailto:sandlerd@whiteandwilliams.com)) or any member of our Labor and Employment Group for further assistance.

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