

NEWS BRIEF

Pay Transparency Laws Expand to More Jurisdictions

Data from the National Women’s Law Center revealed that more than 1 in 4 workers are currently covered by pay transparency laws—and that number is expected to rise with both Hawaii and Illinois expanding pay transparency legislation in 2024 and 2025, respectively. This indicates that pay transparency is not a passing trend and is likely to increasingly impact employers and employees nationwide over the next few years.

“Job seekers and current employees want to know and understand that they are treated fairly and are provided with equal opportunities to thrive and grow within the organization.” - Mariann Madden, director of work and rewards at WTW, formerly known as Willis Towers Watson

Legislative Updates

Hawaii’s new transparency law will require employers with 50 or more employees to include the hourly pay rate or salary range in job listings. It will become effective Jan. 1, 2024.

Illinois’ pay transparency law will require employers with 15 or more employees and who make job postings to begin including pay scale and benefits disclosures on Jan. 1, 2025.

Colorado, which was the first jurisdiction to enact pay transparency laws regarding job postings, will further expand pay transparency with a new amendment taking effect Jan. 1, 2024. This amendment clarifies how the state’s pay transparency law applies to employers with only remote employees in Colorado. It also redefines job opportunities subject to the notice requirements and enacts additional requirements for job notices.

New York state’s pay transparency law became effective earlier this year in September. This law covers employers with at least four employees and requires employers to disclose the compensation or range of compensation and job description in any job posting, promotion or transfer opportunity. The state has recently amended this law to expand pay transparency protections to all jobs that are physically performed, at least in part, in the state of New York.

Employer Takeaways

As a growing number of states and localities embrace pay transparency, it’s likely that more employers will be affected over the next few years. Navigating different pay transparency regulations can be challenging, especially for employers with employees in multiple states. Employers can stay informed by remaining up to date on developing legislation in their jurisdiction and where their employees are located.

We’ll keep you apprised of any notable updates.

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