

CLIENT ALERT

Navigating Compensation Governance in Uncertain Times

Hawaii and Illinois Enact Pay Transparency Laws

Illinois and Hawaii join a growing list of states that have adopted pay transparency laws.

New laws recently passed in Hawaii and Illinois add to the trend of states passing legislation to require pay transparency in job postings by requiring the disclosure of pay ranges. The laws in Hawaii and Illinois add to those that went into effect in 2023 including California, Rhode Island, Washington and New York (effective September 17, 2023).

Previously, pay transparency laws were designed to protect job seekers by barring employers from asking about an applicant's salary history. In 2021, Colorado was one of the first states to take the additional step of requiring employers to list salary ranges for posted jobs. Since then, many additional states have followed Colorado's example by enacting similar laws. Generally, these laws prohibit any inquiry into an applicant's salary history and require employers to list salary ranges for posted roles, with minor variations such as for the minimum size employers covered by the law and the available remedies.

Hawaii's law requires employers with more than 50 employees to disclose the wage range to candidates. The stated purpose of the bill, like many others around the country, is to reduce pay inequality and prohibit discrimination. The law will take effect January 1, 2024.

Illinois law (which takes effect on January 1, 2025) amends its Equal Pay Act. The amended law will require Illinois employers to include pay scale and benefits information in job postings and to post or announce internally to employees all known opportunities for promotion. The requirement to include benefit information, is broader than many other states. The law defines benefits to include "bonuses, stock options, or other incentives the employer reasonably expects in good faith to offer for the position". A pay scale disclosed in a job posting must be based on:

- Any company pay scale;
- A previously determined range for the position;
- The actual range of employees currently holding equivalent positions; or
- The budgeted amount for the position.

Meridian anticipates more jurisdictions will enact such laws and continues to track developments in this area. The attached table, which has been updated since our November 2022 update on this topic, summarizes pay transparency laws for select jurisdictions.

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Transparency Laws Adopted by Select Jurisdictions

Jurisdiction	Covered Employers	Requirements	Jurisdictional Reach	Remedies	Effective Date
California	<ul style="list-style-type: none"> Employers with 15 or more employees (at least one of whom is in CA) 	<ul style="list-style-type: none"> Disclose pay scale in job postings Disclose pay scale to current employees upon request 	<ul style="list-style-type: none"> Law is silent on whether it applies to postings for remote jobs that may be performed in any state 	<ul style="list-style-type: none"> Civil penalties ranging from \$100 to \$10,000 and injunctive relief or other relief as the court deems appropriate 	January 1, 2023
Cincinnati, Ohio	<ul style="list-style-type: none"> Employers with 15 or more employees in Cincinnati 	<ul style="list-style-type: none"> Disclose wage range to candidates upon request 	<ul style="list-style-type: none"> Law is silent on whether it applies to postings for remote jobs that may be performed in any state 	<ul style="list-style-type: none"> Civil liability including compensatory damages, attorney's fees and costs, and equitable relief 	March 13, 2020
Colorado	<ul style="list-style-type: none"> Any employer within the state 	<ul style="list-style-type: none"> Disclose in job posting the compensation range for the position and descriptions of the forms of incentive compensation (but not a specific range or monetary value) and benefits 	<ul style="list-style-type: none"> Law applies if the position either: <ul style="list-style-type: none"> Will be performed in Colorado or Can be performed remotely from Colorado Law does not apply to jobs with a fixed location outside of Colorado 	<ul style="list-style-type: none"> Civil penalties ranging from between \$500 and \$10,000 for each violation 	January 1, 2021
Connecticut	<ul style="list-style-type: none"> Employers with one or more employees 	<ul style="list-style-type: none"> Disclose wage range for a position to an applicant upon earliest of (a) applicant's request, or (b) prior to or at time applicant is made an offer of compensation Disclose wage range for employee's position upon (i) hiring of employee, (ii) promotion, and (iii) employee's request 	<ul style="list-style-type: none"> Law applies to applicants or employees who apply for, or work for, a Connecticut employer, even if they work outside the state 	<ul style="list-style-type: none"> Civil liability including compensatory damages, attorney's fees and costs, punitive damages and equitable relief 	October 1, 2021

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Hawaii	<ul style="list-style-type: none"> Employers with more than 50 employees 	<ul style="list-style-type: none"> Disclose wage range to candidates Does not apply to internal transfers or promotions within current employer or public employee positions with compensation determined under collective bargaining 	<ul style="list-style-type: none"> Law is silent on whether it applies to postings for remote jobs that could be performed in any state 	<ul style="list-style-type: none"> Compensatory and punitive damages and legal and equitable relief, including, but not limited to hiring, reinstatement, or upgrading of employees with or without back pay 	January 1, 2024
Ithaca, New York	<ul style="list-style-type: none"> Employers with 4 or more employees 	<ul style="list-style-type: none"> Disclose wage range to candidates 	<ul style="list-style-type: none"> Law is silent on whether it applies to postings for remote jobs that could be performed in any state 	<ul style="list-style-type: none"> Penalties up to \$500 or imprisonment up to 15 days or both 	September 1, 2022
Illinois	<ul style="list-style-type: none"> Employers with 15 or more employees 	<ul style="list-style-type: none"> Disclose pay scale and benefits in job postings Disclose wage range to employees in connection with promotion opportunities for any position which the employer has opened for external hires in a job posting 	<ul style="list-style-type: none"> Law applies to positions that (i) will be physically performed, at least in part, in Illinois or (ii) will be physically performed outside of Illinois, but the employee reports to a supervisor, office, or other work site in Illinois 	<ul style="list-style-type: none"> Depending on number of offenses, penalties from \$250 to \$10,000 per offense 	January 1, 2025
Jersey City, New Jersey	<ul style="list-style-type: none"> Employers with 5 or more employees and a principal place of business in Jersey City 	<ul style="list-style-type: none"> Disclose wage range to candidates 	<ul style="list-style-type: none"> Law is silent on whether it applies to candidates for positions that could be performed in any state 	<ul style="list-style-type: none"> Penalties up to \$2,000 and/or imprisonment up to 90 days 	April 13, 2022
Maryland	<ul style="list-style-type: none"> Any employer within the state 	<ul style="list-style-type: none"> Disclose wage range for a position upon a candidate's request 	<ul style="list-style-type: none"> Law is silent on whether it applies to candidates for positions that could be performed in any state 	<ul style="list-style-type: none"> Civil penalties of \$300 or \$600 or more if merited 	October 1, 2020
Nevada	<ul style="list-style-type: none"> Any employer within the state 	<ul style="list-style-type: none"> Disclose wage range to candidates Disclose wage range upon request of employee in connection with a transfer or promotion 	<ul style="list-style-type: none"> Law is silent on whether it applies to positions that could be performed in any state 	<ul style="list-style-type: none"> Civil penalties up to \$5,000 for each violation and attorney's fees and investigative costs 	October 1, 2021

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New York (City)	<ul style="list-style-type: none"> Employers with 4 or more employees or one or more employees who work in New York City 	<ul style="list-style-type: none"> Disclose minimum and maximum salary employer (in good faith believes at time of posting) is willing to pay for advertised job, promotion, or transfer opportunity 	<ul style="list-style-type: none"> Law applies to positions that can or will be performed, in whole or in part, in New York City, whether from an office, in the field, or remotely from the employee's home 	<ul style="list-style-type: none"> Civil penalties of up to \$250,000 per violation 	November 1, 2022
New York (State)	<ul style="list-style-type: none"> Employers with 4 or more employees 	<ul style="list-style-type: none"> Disclose wage range to candidates Disclose job description for such job, promotion or transfer opportunity (if description exists) 	<ul style="list-style-type: none"> Law applies to positions that can or will be performed, in whole or in part, in the state of New York 	<ul style="list-style-type: none"> Penalties up to \$1,000 to \$3,000 per violation 	September 17, 2023
Rhode Island	<ul style="list-style-type: none"> Any employer within the state 	<ul style="list-style-type: none"> Disclose wage range to candidates upon request Disclose wage range to an employee at time of hire and at any time upon request Disclose wage range in connection with a transfer or promotion 	<ul style="list-style-type: none"> Law silent on whether it applies to applicants for remote jobs that may be performed in any state Law applies to employees in a position "in which all or the greater part of the work is to be performed within the state" 	<ul style="list-style-type: none"> Civil penalties ranging from \$1,000 to \$5,000 per violation Civil liability including compensatory damages, special damages up to \$10,000, attorney's fees and costs, and equitable relief 	January 1, 2023
Toledo, Ohio	<ul style="list-style-type: none"> Employers with 15 or more employees in Toledo 	<ul style="list-style-type: none"> Disclose wage range to candidates upon request 	<ul style="list-style-type: none"> Law silent on whether it applies to postings for remote jobs that may be performed in any state 	<ul style="list-style-type: none"> Civil liability including compensatory damages, attorney's fees and costs, and equitable relief 	June 25, 2020
Washington	<ul style="list-style-type: none"> Employers with 15 or more employees 	<ul style="list-style-type: none"> Disclose in each posting for each job opening: <ul style="list-style-type: none"> The wage scale or salary range, and A general description of all benefits and other compensation 	<ul style="list-style-type: none"> Law silent on whether it applies to postings for remote jobs that may be performed in any state 	<ul style="list-style-type: none"> Civil penalties ranging from \$500 for a first violation to \$1,000 or 10% of damages (whichever is greater) for a repeat violation Individual may recover actual damages (wages) and double statutory damages (or \$5,000, whichever is greater) 	January 1, 2023

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Westchester County, New York	<ul style="list-style-type: none"> Any employer within the state 	<ul style="list-style-type: none"> Disclose wage range to candidates Will become null and void on the day that New York statewide legislation takes effect 	<ul style="list-style-type: none"> Applies to positions that can or will be performed, in whole or in part, in Westchester County, including jobs that can be done remotely 	<ul style="list-style-type: none"> Civil penalties up to \$250,000 Civil liability including compensatory damages, attorney's fees and costs, punitive damages and equitable relief 	November 6, 2022