

Connecticut Employers Must Be Prepared to Disclose Wage Ranges for Vacant Positions Starting October 1

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Connecticut employers must be prepared to disclose wage ranges for vacant positions to applicants and employees, as the state's new law aimed at eliminating gender-based pay discrimination – "An Act Concerning the Disclosure of Salary Range for a Vacant Position" – goes into effect on October 1, 2021. What do employers need to know about this new legal obligation?

The Basics

This law, which is an extension of Connecticut's existing pay equity laws, expands the prohibition on sex-based pay discrimination from "equal" work to "comparable" work. "Comparable" work will be viewed as a composite of "skill, effort and responsibility" when performed "under similar working conditions." This subtle yet significant shift could open the door to increased liability for employers.

What's Now Prohibited?

Under this law, employers cannot:

- Fail or refuse to provide an applicant for employment the wage range for a position for which the applicant is applying, upon the earliest of (A) the applicant's request, or (B) prior to or at the time the applicant is made an offer of compensation; or
- Fail or refuse to provide an employee the wage range for the employee's position upon (A) the hiring of the employee, (B) a change in the employee's position with the employer, or (C) the employee's first request for a wage range.

The law defines "wage range" as "the range of wages an employer anticipates relying on when setting wages for a position, and may include reference to any applicable pay scale, previously determined range of wages for the position, actual range of wages for those employees currently holding comparable positions or the employer's budgeted amount for the position."

While there are currently no regulations or court decisions to help clarify the limits of this law, employers are advised to take a reasonably conservative approach in complying with this new law.

Who is Covered?

Under this new law, the provisions apply to employees who work in a Connecticut office, work from home in Connecticut, or live in Connecticut and report to an office outside of the state. Additionally, employers should be prepared to proactively provide wage ranges for vacant roles to applicants and employees even if the applicant or employee does not request that information.

What Should You Do?

Employers should take steps to determine appropriate wage ranges for each position and be prepared to disclose the ranges upon request by employees or applicants, or proactively. You will want to work with your hiring teams to adjust your policies and practices to ensure compliance with the law. This could also serve as a reminder that it could be to your benefit to conduct an attorney-client privileged pay audit at your organization sooner rather than later.

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