



No More Dancing in the Dark: 5 Steps Employers Can Take Towards Pay Transparency, the Hottest Trend in Pay Equity Law

Insights

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Thanks to New York City's pay transparency law that takes effect on May 15, you may have an obligation to make public the expected salary ranges for remote jobs across the country – regardless of whether you have a business location in New York. If you have at least four employees and even one of them works in New York City – even in a remote capacity – recent guidance indicates that you must provide salary ranges in internal and external job listings for any position that can or will be performed, in whole or in part, in New York City. This would mean that the law applies to advertisements for remote positions that can be performed wherever the employee resides, because the position could theoretically be filled by an applicant who lives in – and would thus work remotely from – New York City. Given the staggering number of workers in New York City, the reach of the new law has nationwide implications, and should cause you to rethink your approach to pay transparency across the country. This Insight will quickly review the hottest trend in pay equity law as it exists in areas around the U.S. and offer a five-step plan for you to put your organization in the best possible position.

Other Broad Pay Transparency Laws

New York City's law is the second of its kind – the state of Colorado being the first. And it won't be the last. As recently as March 30, Washington Governor Jay Inslee signed a bill requiring similar proactive disclosure of salary and benefits in job postings into law, effective January 1, 2023. Other states and cities are contemplating similar laws, including California, where a bill was recently introduced that would require employers to publicize salary ranges for open positions.

We expect to see additional states and cities consider similar laws in the coming months. But even if the areas in which you operate do not pass such broad measures, there are plenty of other pay transparency initiatives across the country for you to take into consideration.

Other Pay Transparency Laws Across the Country

Other states and cities have enacted less stringent pay transparency laws requiring most employers to **proactively** disclose salary ranges to candidates during the hiring process but not in job postings or advertisements. These include states like **Connecticut**, **Nevada** and **Rhode Island** (effective January 1, 2023).

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And in other states most employers are or will be required to provide pay ranges to candidates upon request at various stages of the hiring process, including in **California, Maryland, and Cincinnati and Toledo, Ohio.**

Pay transparency laws of one form or another have also been proposed in the following states: **Alaska, Massachusetts, Michigan, New York, South Carolina, and Vermont.**

You can get a better sense for the current lay of the land by [checking out the FP Pay Equity Map here for more details.](#)

5-Step Survival Guide

Pay transparency laws are the hottest trend in pay equity laws aimed at closing the pay gap.

Here's a five-step guide to help you ensure your business is staying compliant with these rapidly evolving laws:

1. Determine and document **pay ranges** for all positions.
2. Review existing **job posting templates** or create new templates (including internal listings for promotion and transfer opportunities).
3. **Train supervisors, managers, compliance, and human resource personnel** on the implications of these new laws and take steps to ensure that **recruiters** are complying with the new laws.
4. Develop a process to **consistently publish that information** in connection with internal and external job postings.
5. Consider **conducting a pay equity audit** given that salary information provided in external job postings may move towards becoming public. Conducting an internal audit will help unearth whether there are any significant discrepancies. At best, such disparities could lead to discontent and employee attrition once you must start including salary information on job listings. At worst, they could lead to an equal pay lawsuit if pay differentials appear to be based on a protected characteristic such as gender or race. Working with your attorneys on the audit is important in order to preserve confidentiality when analyzing potential legal claims.

Conclusion

We will monitor developments related to these new laws, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox. If you have questions about the legislation referenced in this article or about your related policies, contact your Fisher Phillips attorney, the author of this Insight, or any member of our [Pay Equity Practice Group](#).

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