

# New Illinois Equal Pay Bill Would Require More Transparent Job Postings: 4 Things Employers Need to Know

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The Illinois Equal Pay Act has been around for a decade, but it's seen many changes in the past few years. The act was amended in 2021 to impose new equal pay compliance requirements and create new obligations for private employers with more than 100 employees. Then, in 2022, the Illinois Department of Labor finally provided some guidance for employers on those new <u>requirements</u>. Most recently, on February 16, Illinois legislators introduced a new pay equity bill that would amend the act again and require organizations with at least 15 employees to include benefits and pay scale information in job postings. Although the bill is still working its way through the legislative process, you should be aware of your potential obligations should it pass and ultimately be signed into law. What are the top four points you should note for now?

#### 1. New Job Posting Requirements

The new pay equity bill, <u>HB3129</u>, would amend the <u>Illinois Equal Pay Act</u> to require covered organizations to provide pay scale and benefits information in their job postings. What exactly does that mean? "Pay scale and benefits" include "the wage or salary, or the wage or salary range, and a general description of the benefits and other compensation the employer reasonably expects to offer for the position." Additionally, if passed, the bill would require you to announce, post, or otherwise make known all job opportunities to all current employees no later than the same day that you post the job. Notably, however, if you do not use job postings, the bill clarifies that it does not create any new requirement for you to do so.

#### 2. Record-Keeping Requirements

The bill would also require employers to adhere to certain record-keeping requirements, including the obligation for you to preserve records of the pay scale and benefits information for each posted position for at least five years, or in the event of an ongoing investigation or action under the act, until their destruction is authorized by the Department of Labor or court order.

#### 3. Potential Liability for Third-Party Job Postings

More concerning for Illinois employers, the bill will hold employers liable for a third party's failure to include the pay scale and benefits information in a job posting on behalf of the employer.

Accordingly, Illinois employers would need to work closely with any third-party they use to assist with job postings and recruitment.

#### 4. Violations Could Be Costly

If passed, the bill would grant the Illinois Department of Labor authority to initiate investigations into alleged violations of the newly amended subsections of the act. If the Illinois Department of Labor determines a violation has occurred, the employer would have seven days to remedy the violation upon receiving notice of a violation. If the employer does not demonstrate that the violation has been remedied, the employer would be subject to a civil penalty of \$100 per day for each day that a violation continues following the seven-day notice period. Each job posting that fails to comply with the act would be deemed a separate violation.

#### Conclusion

Given the growing state-law trend across the nation requiring employers to disclose detailed pay scale and benefits information in their job postings, we recommend Illinois employers gear up and begin revising their job postings in anticipation of the bill becoming law.

We will continue to monitor any further developments and provide updates on these and other labor and employment issues affecting employers, so make sure you are subscribed to <u>Fisher Phillips'</u> <u>Insight System</u> to gather the most up-to-date information. If you have questions regarding potential changes you may need to make to job postings in Illinois if this bill is passed, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in <u>our Chicago office</u> or <u>Pay</u> <u>Equity Practice Group</u>.



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