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HAWAII BECOMES LATEST STATE TO ENACT PAY TRANSPARENCY LAW: HERE'S WHAT EMPLOYERS NEED TO KNOW

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A new pay transparency law in Hawaii will require large employers in the state to disclose certain pay information in job postings. Governor Josh Green signed the bill into law last month, and it will take effect on January 1, 2024. What do you need to know about the new law, and how can you prepare for compliance?

What's New?

[Senate Bill 1057](#) will require employers with at least 50 employees to disclose an hourly rate or salary range in job listings that reasonably reflects the actual expected compensation. While the new law does not define the meaning of "expected compensation," it does not require disclosure of other components of total compensation, such as benefits.

The law further provides that the disclosure requirements do not apply to job listings for:

- public employee positions for which salary, benefits, or other compensation are determined under a collective bargaining agreement;
- positions with employers that have fewer than 50 employees; or
- positions that are internal transfers or promotions with the current employer.

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Notably, the last point is a departure from several other jurisdictions' pay transparency laws that require internal job postings to follow the same pay transparency requirements as external job postings.

The new law also prohibits employers from discriminating against employees based on "any protected category" established by state law — not based just on sex — by paying such employees less for "substantially similar work."

Some questions about the new law's requirements still need to be answered. For example, the law doesn't explain whether the 50-employee threshold refers to employees in Hawaii or to a company's total employee count. So, stay tuned for further updates and guidance.

What Should You Do?

The best practice is to be proactive in order to ensure compliance with these new requirements by January 1, 2024, and to minimize the damages and other costs associated with potential future litigation. As such, employers in Hawaii should make sure to train your hiring managers, talent acquisition professionals, and human resources employees on the new requirements. You should also consider conducting privileged pay audits with counsel to ensure compliance with Hawaii's equal pay requirements.

Conclusion

For more information about how this legislation could affect your workplace, please reach out to your Fisher Phillips attorney, the author of this Insights, or any attorney in our [Pay Equity Practice Group](#). Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information on this and other employment topics directly to your inbox.