



Illinois Passes New Pay Transparency Law That Will Require Pay Info In Job Postings: Your Compliance Blueprint

Insights

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Illinois employers will be required to reveal salary information in job postings thanks to a new law that was just finalized by the governor. On August 11, Governor Pritzker passed into law amendments to the Illinois Equal Pay Act that will require covered organizations to provide pay scale and benefits information in their job postings for positions that will be physically performed, at least in part, in Illinois, or positions that will be physically performed outside of Illinois if the employee reports to a supervisor, office, or other work site in the state. Although the law will not take effect until January 1, 2025, there is some advance work you can do to prepare for this significant change. Here is a summary of the key changes and a blueprint to consider to ensure compliance.

5 Things You Need to Know

The new law amends the [Illinois Equal Pay Act](#) in five significant ways:

- 1. New Job Posting Requirements:** Covered organizations will be required to provide 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 positions that will be physically performed, at least in part, in Illinois, or positions that will be physically performed outside of Illinois, but the employee reports to a supervisor, office, or other work site in Illinois in their job postings. Additionally, the Act requires covered organizations to announce, post, or otherwise make known all job opportunities to all current employees no later than the same day that the job is posted.
- 2. Disclosure of Pay Scale and Benefits to Applicants:** While the Act will not require employers to make a job posting, employers will be required to disclose to an applicant the pay scale and benefits to be offered for the position prior to any offer or discussion of compensation and at the applicant's request if no job posting has been made available.
- 3. Recordkeeping Requirements:** The Act will require employers to preserve records of the pay scale and benefits information for each posted position for at least five years. In the event of an ongoing investigation, however, employers will need to retain them until the Department of Labor or court order authorizes their destruction.
- 4. Potential Liability for Third Party Job Postings:** Illinois employers should work closely with any third party they use to assist with job postings and recruitment because the Act holds employers

liable for a third party's failure to include the pay scale and benefits information in a job posting on their behalf. Employers will have to provide the pay scale and benefits, or a hyperlink to the pay scale and benefits, to the third party to include in the job posting.

5. **Severe Penalties for Violations:** If the Illinois Department of Labor determines a violation has occurred, the employer will have seven days to remedy the violation upon receiving notice of a violation or it will be subject to a civil penalty of \$100 per day for each day that a violation continues. Each job posting that fails to comply with the Act will be considered a separate violation.

What Should You Do? Your Compliance Blueprint

While the Act does not take effect until January 1, 2025, Illinois employers should get a head start on compliance and consider the following steps:

- Begin reviewing your job postings to ensure they will comply with the new requirements.
- Train your hiring managers, talent acquisition professionals, and human resources employees on the new requirements.
- Establish a regular review process so that you can evaluate and update your compensation and benefits on a routine basis and adjust as necessary.
- Coordinate with any third party you use to assist with job postings to ensure they are aware of and will comply with the new law once it takes effect.
- Conduct a privileged pay audit with counsel to ensure compliance with state and federal equal pay requirements.
- If necessary, consider working with your counsel to develop a standardized pay scale format to ensure you comply with pay equity principles.
- If you have operations in states that do not require such transparency, consider whether you will adopt a patchwork approach or a uniform approach to job postings in those other states. There are pros and cons to each approach, but you will want to work with your legal counsel to understand your options.

Conclusion

If you have questions regarding changes you may need to make to job postings in Illinois, please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in [our Chicago office](#) or [Pay Equity Practice Group](#). We will continue to monitor all labor and employment issues affecting employers, so make sure you are subscribed to the [Fisher Phillips' Insight System](#) to gather the most up-to-date information.

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