

CLIENT ALERT

Navigating Compensation Governance

Massachusetts Adds To The Growing Number Of States To Pass Pay Transparency Laws

Massachusetts is the latest in a growing number of states to pass pay transparency laws, which require disclosure of salary information in job postings, effective July 31, 2025.

Background

In 2021, Colorado was one of the first states to require employers to list salary ranges for posted jobs. Since then, many additional states have followed by enacting similar laws. California, Hawaii, Illinois, Maryland, Nevada, New York, Rhode Island and Washington have enacted pay transparency laws in recent years, with Minnesota soon to follow beginning January 1, 2025.

Generally, pay transparency laws prohibit any inquiry into an applicant's salary history and require employers to list salary ranges for posted roles, with minor variations such as for the minimum size employers covered by the law and the available remedies.

Supporters of these laws argue that they reduce pay disparities, especially for women and people of color, by giving workers a way to ensure that they are being paid fairly. Critics argue that they can lead to increase costs for employers, by requiring them to implement new policies and practices, and may lead to wage compression, which exists when there is a small difference in pay between employees who have different levels of experience or skills.

Highlights of the Massachusetts Law

The newly enacted Massachusetts law requires employers with 25 or more employees to disclose the wage range to candidates for internal and external job postings. Employers must also provide pay ranges to employees who are offered promotions or transfers to new positions with different job responsibilities, and on request by an employee or applicant.

Following the model from many other states, the Massachusetts law includes anti-retaliation provisions, which prohibit employers from discharging or discriminating against employees who have taken action to enforce their rights under the law. There is no private right of action to enforce the law, with the Massachusetts attorney general having exclusive jurisdiction to do so, including the ability to issue a warning and increasing fines based on the number of offenses.

We anticipate that more jurisdictions will enact pay transparency laws in the coming years. Companies should assess whether their salary ranges are in place to comply with applicable transparency laws when those positions are posted and develop communication strategies for prospective and current employees.

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The **Client Update** is prepared by Meridian Compensation Partners' Governance and Regulatory Team led by Donald Kalfen. Questions regarding this Client Update or executive compensation technical issues may be directed to Donald Kalfen at 847-347-2524.

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