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Ensuring Compliance With Pay Transparency Laws in 2025

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As 2025 begins, multistate employers should be aware of several states where employers will now be required to include salary ranges in job postings. In 2025, new pay transparency laws will take effect in five states: Illinois, Minnesota, Massachusetts, New Jersey, and Vermont. What do multistate employers need to know about these new laws and what steps do they need to take to ensure compliance?

2025 Pay Transparency Laws

Illinois

Effective January 1, 2025, Illinois' pay transparency law requires employers with at least 15 employees to include "pay scale and benefits" in job postings. "Pay scale and benefits" is defined as "the wage or salary, or the wage or salary range, and a general description of the benefits and other compensation, including, but not limited to, bonuses, stock options, or other incentives the employer reasonably expects in good faith to offer for the position."

Minnesota

Effective January 1, 2025, Minnesota's pay transparency law requires employers with 30 or more employees in Minnesota to provide salary ranges and general descriptions of benefits in job postings. Specifically, qualifying employers must disclose "in each posting for each job opening with the employer the starting salary range, and a general description of all of the benefits and other compensation...." Employers may also list a fixed pay rate.

Massachusetts

Effective October 29, 2025, Massachusetts' pay transparency law requires employers with 25 or more employees to disclose pay ranges: (i) in any job advertisement or posting, including recruiting efforts by a third party; (ii) to an employee offered a promotion, transfer, or a new position with different responsibilities; (iii) to an employee in a specific position upon request; and (iv) to an applicant upon request.

New Jersey

Effective June 1, 2025, New Jersey's pay transparency law will require employers to provide in each posting for new jobs or transfer opportunities the "hourly wage or salary, or a range of the hourly wage or salary." The law also provides that "[a]n employer shall make reasonable efforts to announce, post, or otherwise make known opportunities for promotion that are advertised internally within the employer or externally on internet-based advertisements, postings, printed flyers, or other similar advertisements to all current employees in the affected department or departments of the employer's business prior to making a promotion decision."

Vermont

Effective July 1, 2025, Vermont's pay transparency law will require employers with five or more employees to ensure that any advertisement of a Vermont job opening includes the compensation or range of compensation for the job opening. Employers are not required to include compensation or a range of compensation on an advertisement for a job opening that is:

- Paid on a commission basis, whether wholly or in part; or
- Paid on a tipped basis. However, employers must provide the base wage or range of base wages for the position.

What Should Employers Do Now?

These laws are sure to create compliance challenges for multistate employers, especially with respect to how they treat remote jobs. What should multistate employers do now? As with any new legislation, multistate employers will want to familiarize themselves with the requirements of each law and confirm they are meeting their disclosure requirements. This includes updating template job postings and ensuring that HR and recruiting staff are trained on the requirements of the new laws. Employers may also want to consider discussing these new laws with their counsel, especially multistate employers who may operate in several states with varying pay disclosure requirements.

For any questions about pay transparency laws and how best to comply with them, please contact the author Dean J. Shauger, or any member of the Labor & Employment Group.