



News & Types: Employment, Labor & Benefits Update

# Masuda Funai Employment Newsflash - NYC Employers May Soon Be Forced to Disclose Salary Ranges in Job Postings

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Practices: Employment, Labor & Benefits

New York City may soon join a growing number of states and localities which require employers to include salary ranges within job postings. The nationwide trend toward pay transparency is demonstrated by similar laws in effect in California, Colorado, Connecticut, Maryland, Nevada, Washington, Toledo and Cincinnati. To date, New York employers have been prohibited from *inquiring* into job applicants' salary history, but the new NYC bill would certainly broaden employee rights with respect to pay equity extensively.

If enacted, the NYC bill would make it an "unlawful discriminatory practice" under the NYC Human Rights Law for an NYC employer with four or more employees to advertise a position without including the minimum and maximum salary range for the position. The bill also requires that a salary range be included any time there is a posting for an internal promotion or transfer. Because the term, "salary," is not defined under the bill, it remains unclear whether it should be interpreted as base salary only or total compensation. The bill states that an employer may set the minimum and maximum salary range based on what "the employer in good faith believes" the highest and lowest salaries will be for the position at the time of the posting.

The NYC bill is expected to take effect in April 2022 unless vetoed by the NYC Mayor by January 14, 2022. It is possible that similar laws may be introduced in additional states over the course of the year, including but not limited to Illinois which implemented a ban on salary history inquiries in 2019. The passage of such laws will inevitably require employers to revisit their policies and practices with respect to hiring, promoting and transferring employees.

We will continue to monitor this matter and provide an update as soon as new information is available.

## **UPDATED: JANUARY 20, 2022**

***New York City Mayor Eric Adams did not take action against the NYC bill within the 30-day veto period and it became law as of January 15, 2022. This law which will require posting a "good faith" minimum and maximum salary range for advertised NYC job postings, promotion and transfer opportunities, will be effective on or about May 15, 2022. In preparation, NYC employers and any recruiters or staffing***

***agencies which they retain should begin reviewing and revising their policies, practices and templates and should also document their decision-making processes for setting salary ranges.***