

CLIENT ALERT

Navigating Compensation Governance

Washington D.C. Becomes the Latest Jurisdiction to Enact Pay Transparency Law

Legislation to take effect on June 30, 2024 will expand Washington D.C.'s current law to require employers to disclose pay ranges and healthcare benefits and limit employers' ability to screen applicants based on wage history.

On January 12, 2024, Washington D.C. enacted a new pay transparency law which will require employers with at least one employee in the District of Columbia to provide in job postings the minimum and maximum projected salary or hourly pay. In addition, the new law requires employers to provide to job candidates before the first interview information about employee healthcare benefits. Lastly, the law places certain limits on employers' ability to seek or use a job candidate's wage history. The law is subject to Congressional review and will become effective if Congress does not object to the law during a 30-day review period which ends on February 11, 2024.

Historically, pay transparency laws were aimed at protecting job seekers by barring employers from asking about an applicant's salary history. In 2021, Colorado was one of the first states to take the additional step of requiring employers to list salary ranges for posted jobs. Similar laws have been enacted in California, Hawaii, Illinois, New York, Rhode Island and Washington state, with bills pending in several states. Some cities also have enacted pay transparency ordinances.

These laws generally prohibit inquiries into an applicant's pay history and require employers to list salary ranges for posted roles, though individual laws differ as to which employers are subject to the law and what must be disclosed.

Meridian anticipates more jurisdictions will enact similar laws and will continue to monitor developments.

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