

How to Prepare for Pay Transparency in 2025

Today's presenters:



Ruth Thomas

Chief Evangelist

Payscale



Lulu Seikaly

Senior Corporate Attorney- Employment

Payscale

Today's agenda

- Pay transparency legislation updates
 - US
 - Canada
 - EU
 - UK
- How to respond to pay transparency
- Q&A



Poll 1:

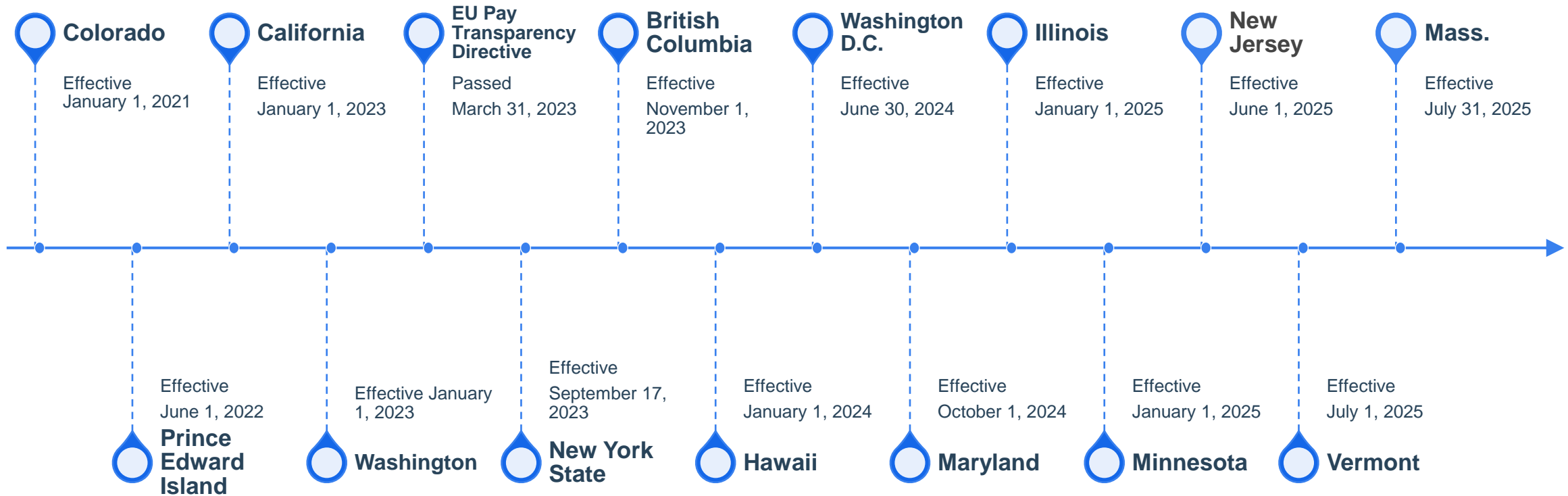
What is your primary driver for adopting pay transparency?

- A. Compliance with legislation
- B. To meet employee expectations and retain employees
- C. To demonstrate we value our employees and reinforce culture
- D. As a tactic in the competition for talent
- E. We are not adopting pay transparency at this stage
- F. None of the above

A blue-tinted photograph of the United States Capitol building, showing the iconic dome and the surrounding neoclassical architecture. The image is used as a background for a title slide. The text "Legislative recap" is centered over the image in a large, white, sans-serif font.

Legislative recap

The pace of pay legislation is building and is a force for change



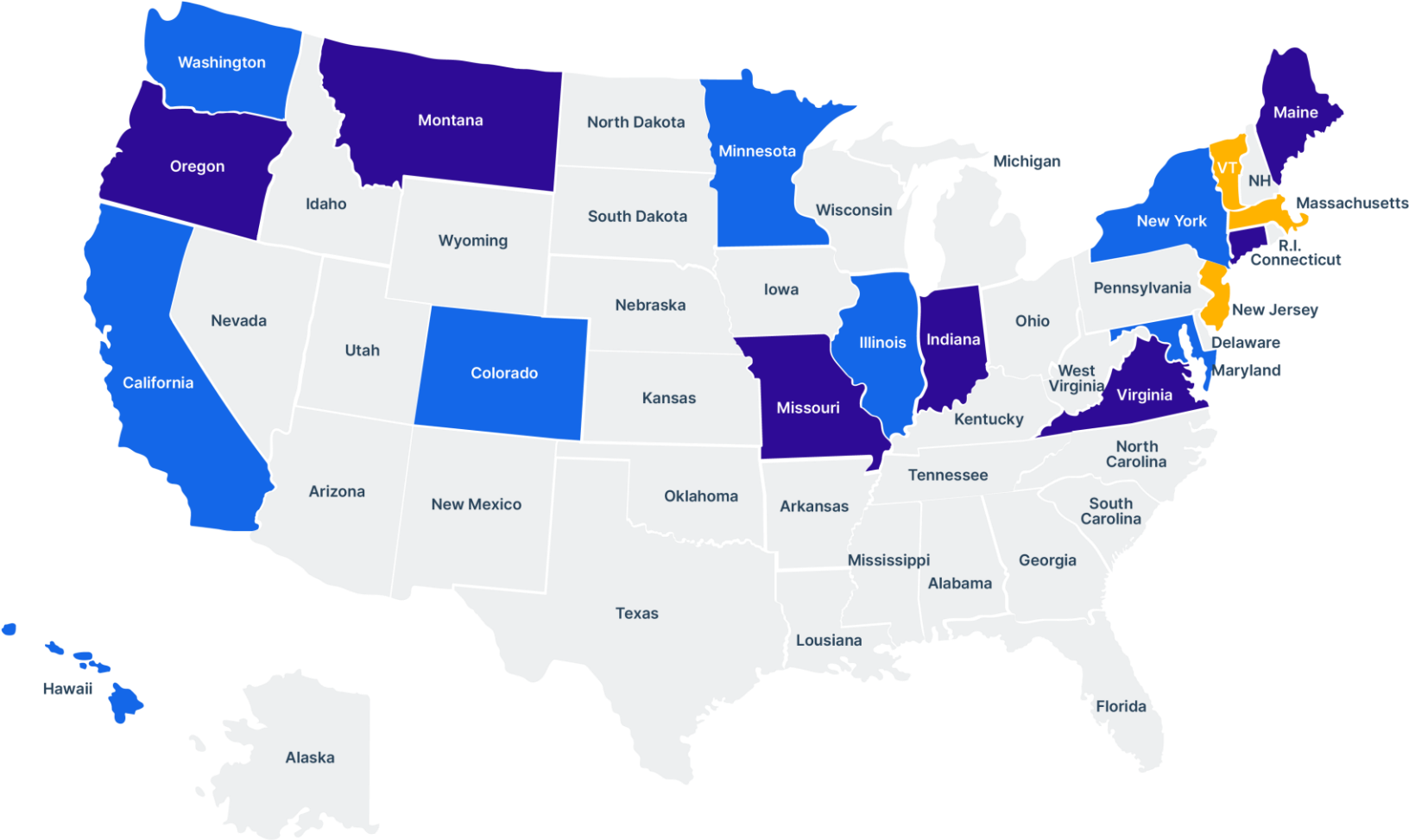
Keep up to date with legislation [here](#)!



A stylized map of North America, including the United States and Mexico, is shown in a dark blue, semi-transparent overlay. The map features various city names, state abbreviations, and geographical features like the Great Salt Lake and the Gulf of California. The text "North America" is prominently displayed in a large, white, sans-serif font across the center of the map.

North America

Pay Transparency US Legislative Landscape



● Active pay transparency laws currently on the books

● Passed pay transparency laws but not yet active

● Proposed pay transparency laws that are working their way through legislation

Washington D.C. became effective on June 30, 2024



Illinois

Effective: January 1, 2025

- **Who:** employers with 15 or more employees, posting a job that will be physically performed, at least in part, in Illinois or will be physically performed outside Illinois but reports to a supervisor, office, or other worksite in Illinois.
- **What:** wage or salary or wage or salary range + general description of benefits and other compensation
 - E.g. bonuses, stock options, or other incentives
 - Range: look to any previously determined range for the role, the actual range of others in equivalent positions, or budgeted amount for role.
- **Proposed Penalties:** \$500 first offense, \$2,500 second offense, \$10,000 third or subsequent offense. Curing period/warning—14 days to remedy.
 - No cure period for 5 years after third offense.

Minnesota

Effective: January 1, 2025

- **Who:** employers with 30 or more employees working in Minnesota
 - Silent on remote work
- **What:** good faith salary range + general description of benefits and other compensation
 - “Other Compensation”: not limited to any health or retirement benefits
- **Proposed Penalties:** Minnesota Dept of Labor and Industry and Minnesota AG have authority to investigate and enforce the law. No specific penalties outlined.

2025 update

 Connecticut 

 Indiana 

 Missouri 

 Oregon 

 Maine 

 Montana 

 Virginia

Europe

A photograph of a European street scene, likely in a historic town. The street is paved with cobblestones and lined with traditional half-timbered houses. In the background, a church tower with a dome is visible. The word "Europe" is overlaid in the center in a large, white, sans-serif font. The image has a dark, monochromatic blue tint.

EU Pay Transparency Directive



A vertical timeline on the left side of the slide, consisting of a thin grey line with four colored circular markers: blue, orange, dark blue, and red. Each marker corresponds to a date and event listed to its right.

March 2021

Proposal on pay transparency introduced

December 15, 2022

EU Commission and EU Parliament reach an agreement on directive with two key parts

- 1) Pay Transparency Measures
- 2) Better Access to Justice for Victims of Pay Discrimination

March 31, 2023

EU Parliament Passes Directive on Pay Transparency aims to strengthen equal pay for equal work (or work of equal value) through pay transparency, gender pay reporting, and other enforcement measures.

June 2026

The EU member states deadline to implement the requirements into local law with reporting commencing in 2027

Pending Drafts of Legislation



Sweden

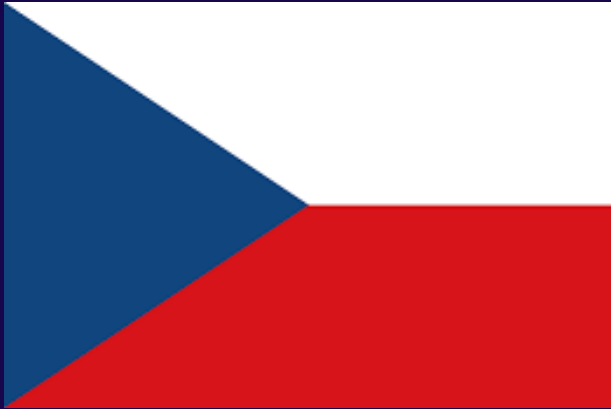


Germany



Poland

Working Groups Set Up



Czech Republic



Finland



Poll 2:

What are you doing to prepare for pay transparency?

- A. We assessing our compensation strategy/philosophy
- B. We are improving our job architecture for alignment across the organization
- C. We are reviewing our pay structures and frameworks
- D. We are conducting pay equity analysis
- E. We are focusing on manager capability to communicate pay
- F. Other (let us know in the chat!)

**In the face of expanding
legislative requirements how
should I respond?**



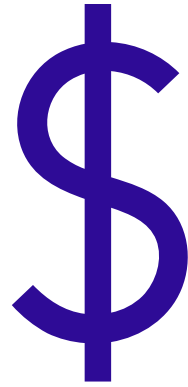
Set your strategy

Get buy in and commit to build transparent and consistent pay practices with a compensation philosophy that embeds fair pay.



Prepare for compliance

Create a road map factoring in regulatory deadlines, requirements, your current state, and your change readiness for compliance.



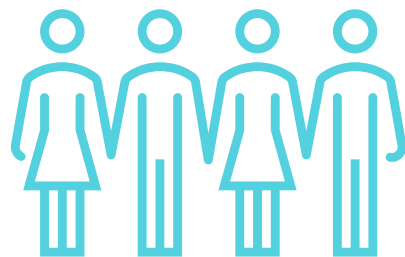
Know your compensation philosophy

Understand the relevant factors that impact pay in your organization and make sure this makes sense for your business.



Build your pay frameworks

Ensure you have the job architecture and pay structures in place that allow you to manage transparency confidently.



Address pay equity

Transparency motivates us to achieve equity to avoid reputational risk. Conduct proactive pay equity analysis and build processes to support sustainable fair pay.



Enable proactive pay conversations

Train managers and other stakeholders to have effective conversations with employees about their pay.

Q&A

Feel free to ask any questions in the Q&A section!



**Interested in a demo of
how Payscale can help you
in the wake of emerging
pay transparency
legislation?**

Let us know in the polling tab
of your dashboard!