

# Navigate the Changing Pay Transparency Legislation Landscape



# Today's Presenters:



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# Today's Agenda

- H1 update of pay transparency legislation
  - US
  - Canada
  - EU
  - UK
- Preparing to meet pay transparency requirements
- Q&A

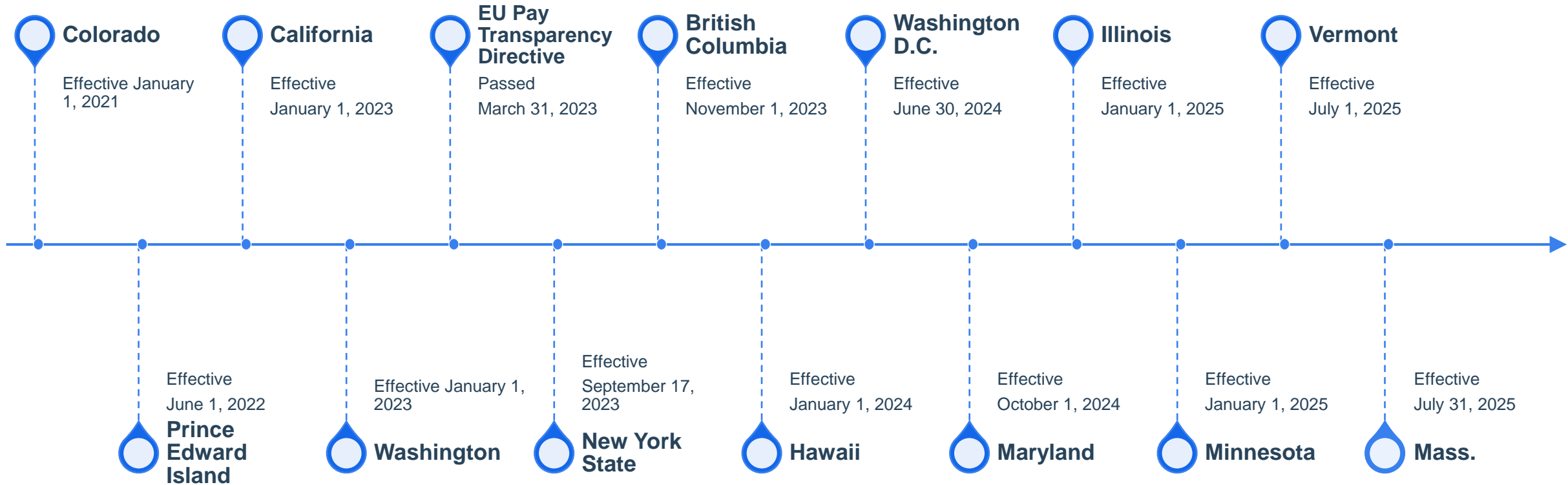




# H1 2024 Legislative recap



# Global Legislative Recap



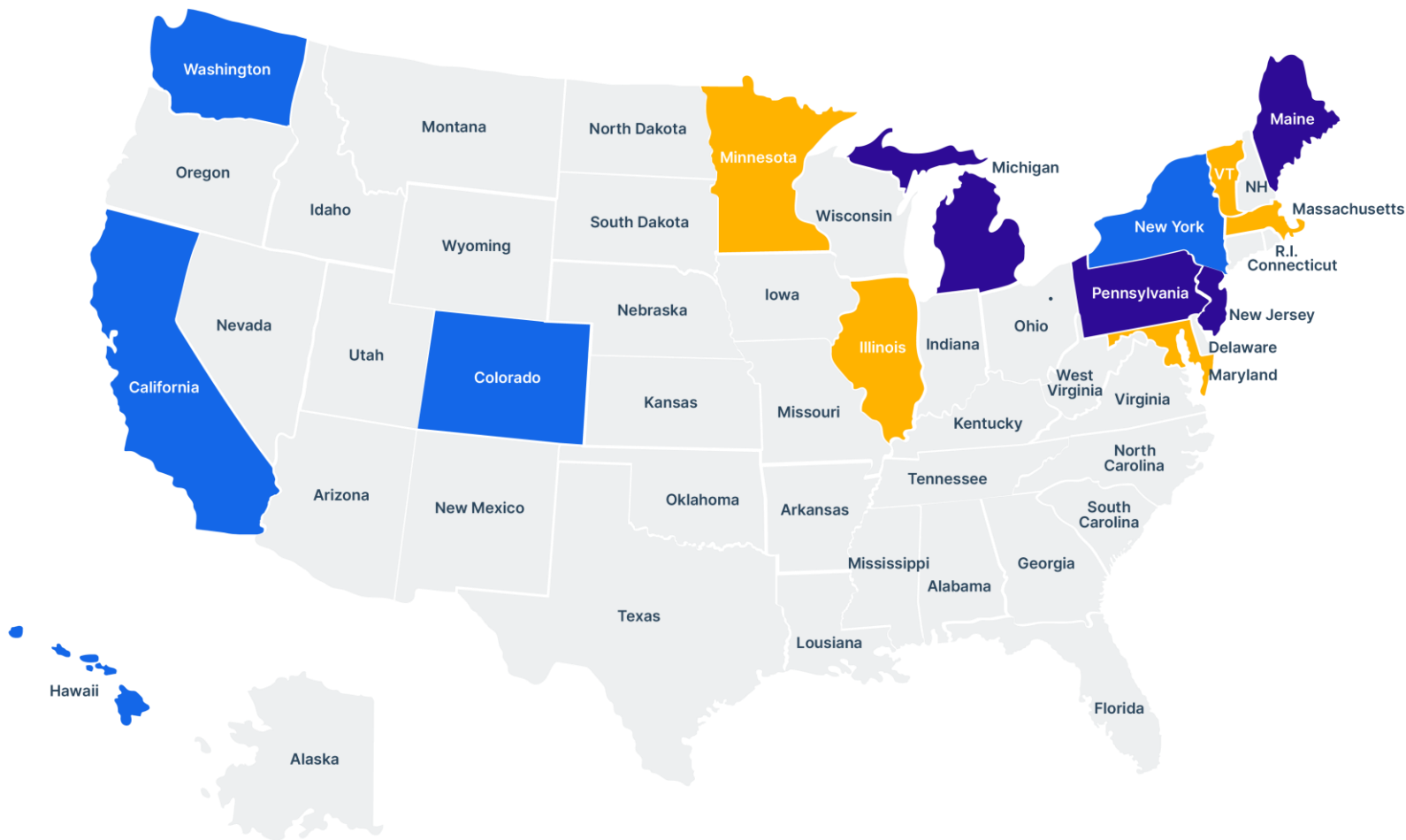


A stylized map of North America, including the United States, Canada, and Mexico, is shown in the background. The map is rendered in a dark blue color with white text for labels. The text "North America" is prominently displayed in the center in a large, white, sans-serif font. The map includes labels for various cities, states, and geographical features, such as "Idaho Falls", "Casper", "Cheyenne", "Denver", "Pikes Peak 14,110 ft", "Colorado Springs", "Wichita", "Las Vegas", "Albuquerque", "Phoenix", "Tucson", "El Paso", "Fort Worth", "Dallas", "San Antonio", "Austin", "San Diego", "Los Angeles", "Tijuana", "Guadalajara", "Ciudad Juárez", "Hermosillo", "Ciudad Obregón", "Chihuahua", "Nuevo Laredo", "Laredo", "Torreón", "Monterrey", "Culiacán", "Rio Grande", "Gulf of California", "Baja California", "Guadalupe Island", "Great Salt Lake", "Salt Lake City", "Utah", "Colorado", "New Mexico", "Arizona", "Texas", "Wyoming", "Idaho", "Montana", "Nebraska", "Kansas", "Oklahoma", "Arkansas", "Louisiana", "Mississippi", "Alabama", "Georgia", "Florida", "South Carolina", "North Carolina", "Virginia", "Maryland", "Delaware", "Pennsylvania", "New Jersey", "New York", "Connecticut", "Rhode Island", "Massachusetts", "Vermont", "New Hampshire", "Maine", "Hawaii", "Alaska", and "Nunavut".

# 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

The **U.S Congress** has proposed pay transparency laws that are working their way through legislation





# Maryland

Effective: October 1, 2024

- **Who:** employers posting a role that will physically be performed, at least in part, in Maryland.
- **What:** a good faith wage range *and* a general description of benefits *and* any other compensation offered for any internal or external job postings.
- **Proposed Penalties:** Commissioner can issue penalties up to \$600/violation
- **Other considerations:** must keep a record of compliance for 3 years after a role is filled *or* if not filled 3 years from when the job was posted. Also implemented a *salary history ban*.



# 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.



# Vermont

Effective: July 1, 2025

- **Who:** employers with 5 or more employees who post jobs that must be physically performed in Vermont or performed remotely that reports to an office in Vermont.
- **What:** must post the “minimum and maximum annual salary or hourly wage for a job opening expected at the time of the posting.”
  - Applies to internal and/or external candidates and promotions/transfers
  - No need to post anticipated commission
  - Tipped roles must disclose the fact and include base salary or salary range for the role.
- **Proposed Penalties:** Attorney General can file a lawsuit. Employers may have to pay restitution of wages or other penalties.



# Massachusetts

Effective: July 31, 2025

- **Who:** employers with 25 or more employees in Massachusetts
- **What:** "annual salary range or hourly wage range that the covered employer reasonably and in good faith expects to pay for such position at that time."
  - Applies to promotion, transfer, or a new role with different responsibilities.
  - Must provide range upon request
- **Proposed Penalties:** first violation—initial warning, second violation—\$500, third violation—\$1,000, and/or enforcement action under Massachusetts General Laws.
- **Other considerations:** pay data reporting obligations for employers of 100 or more employees.



# Canada

## Prince Edward Island

- All employers (not clarified)
- Expected pay or range of expected pay for the role

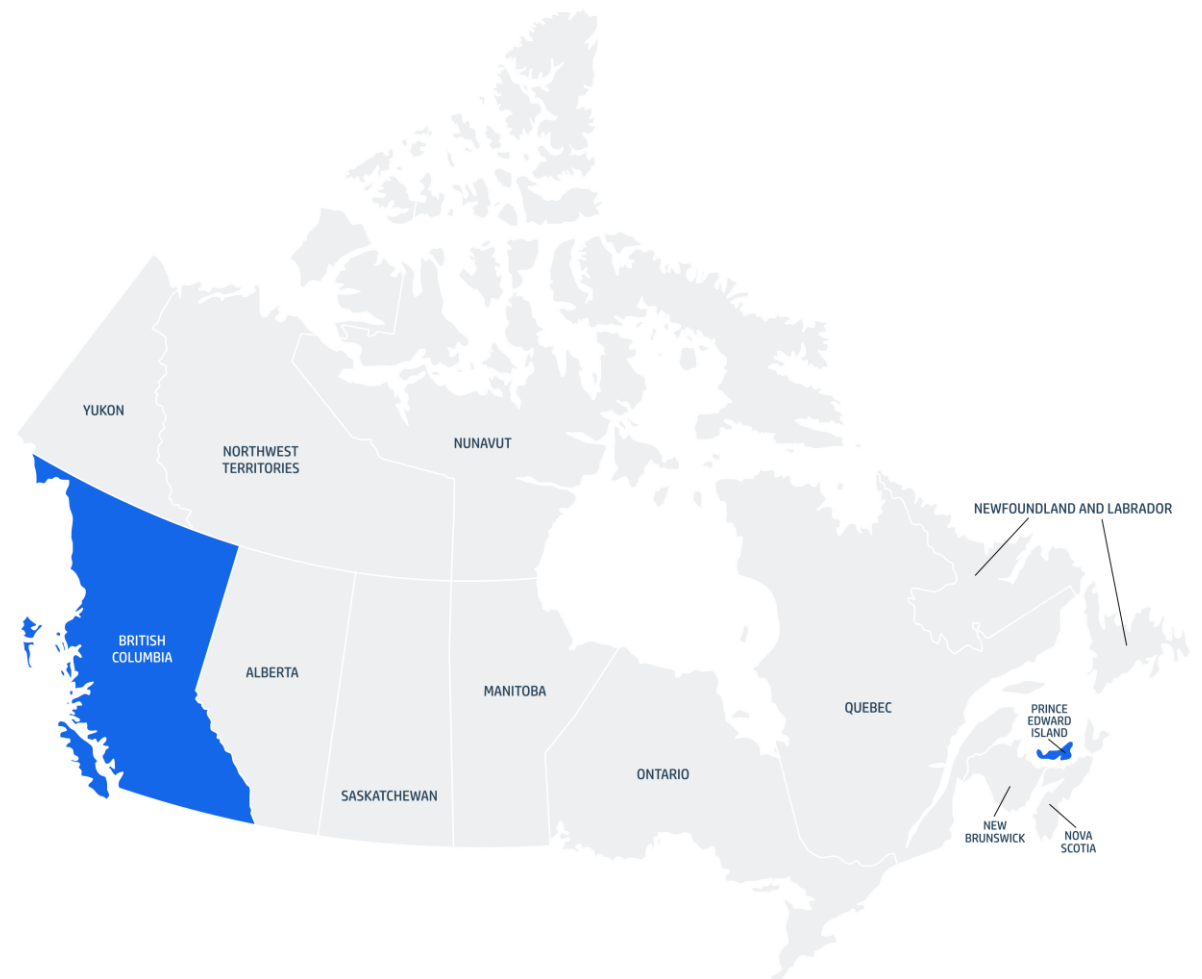
## British Columbia

- All employers in BC
- Expected pay or the expected pay range for a job posting

*Nova Scotia,*

*Newfoundland and Labrador &*

*Ontario TBD*





# British Columbia Employers



Must submit  
Pay Transparency Reports

# Employees	Deadline
1,000 or more	November 1, 2024
500 or more	November 1, 2025
50 or more	November 1, 2026

	A	B	C	D	E	F	G
1	Gender Code	Hours Worked	Ordinary Pay	Special Salary	Overtime Hours	Overtime Pay	Bonus Pay





## Poll 1:

**What is your primary driver for adopting pay transparency?**

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



# Europe

A dark, monochromatic photograph of a European street scene. The image features half-timbered houses with steep gables and flower boxes under the eaves. A cobblestone street leads towards a church tower with a small dome. In the foreground, a person is riding a bicycle on the left, and a decorative metal railing is on the right. The word "Europe" is written in large white letters across the center.



# EU Pay Transparency Directive

**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

**June 2026**

The EU member states deadline to implement the requirements into local law.



European  
Commission





# Main EU directive requirements



Transparency for job seekers *and* employees



Right to information Equal pay for comparable jobs



Public disclosure of Gender Pay Gap Report



Joint pay assessment



Expensive penalties



# Germany



**On May 21, 2024**, at a BPM meeting in Berlin it was confirmed that Germany's transposition of the EU Pay Transparency Directive is on the fast track, likely wrapping up by the end of the legislative period. Indications are towards "lean regulations and clear process specifications period."

Even if Germany transposes the EU Directive "early" (before June 2026), it appears that reporting will not be required until June 2027.

# Sweden



**On May 29, 2024**, the Swedish Government issued a 388-page report giving us insight into how they might transpose the EU Pay Transparency Directive into law.

While this is a preliminary/non-binding report, it does seem to indicate that Sweden may copy-paste the EU Pay Transparency Directive.



# Ireland



From 31 May 2024 new updates to the [Gender Pay Gap Information Regulations](#) with the threshold of qualifying employers falling to 150. From 2025, this will drop further to employers with more than 50 employees.

Currently must report on data on a snapshot date falling within the month of June and have a six-month window to publish the report. [In 2025 the reporting deadline will move to November](#), meaning that organizations will have 5 months from their snapshot date in June to report on their gender pay gap.



# United Kingdom



**Change of Government July 4, 2024:** New Labour government is committed to “making work pay” with new legalisation set to introduce a “new deal” for working people.

The King's Speech on July 17, 2024 outlined the UK government's legislative [agenda, including priorities aimed at promoting security, fairness, and opportunity for all.](#)

Among the 40 proposed bills is [the draft Equality \(Race and Disability\) Bill, which will expand their focus on fairness and equality in the workforce to include reporting on disability and ethnicity.](#)





## Poll 2:

**What employee reactions has your organization experienced due to pay transparency legislation (select all that apply)?**

- We haven't heard anything from employees about pay transparency
- Employees have been asking more questions about their pay
- Employees have left our organization because they saw job postings with higher ranges elsewhere
- Employees have seen a job posting in our organization and realized they were being paid less for a similar job
- Employees have expressed appreciation for our transparent approach to pay
- Other (let us know in the chat)



# Preparing to meet pay transparency requirements



# A growing list of pay transparency requirements

Communicate pay ranges to candidates during talent acquisition

Communicate pay ranges to employees on promotion or transfer

Communicate pay ranges to employees annually or on request

Provide gender-neutral criteria used to define their pay, pay levels, and pay progression

Provide average salary with gender distribution for employees who perform the same or equivalent work

Report on your uncontrolled pay gap

Undertake a full Pay Equity Audit



# Your pay transparency checklist



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



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



**Understand the relevant factors that impact pay** in your organization and make sure this part of your compensation philosophy



Ensure you have the **job architecture and pay structures** that allow for appropriate comparisons between groups of employees



Conduct **proactive pay equity analysis** to understand the impact of wage gaps and biases



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





## Poll 3:

**What are the main pay transparency challenges your company is facing (select all that apply)?**

- Lack of knowledge of legislative requirements
- Lack of buy in from executive leadership
- Concerns over cost implications
- Lack of supporting pay structures and frameworks
- Manager capability
- Challenging questions from employees
- Other (let us know in the chat!)



**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!

# Q&A

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

