

Planning for Pay Transparency Legislation in the New Year

Today's Presenters:



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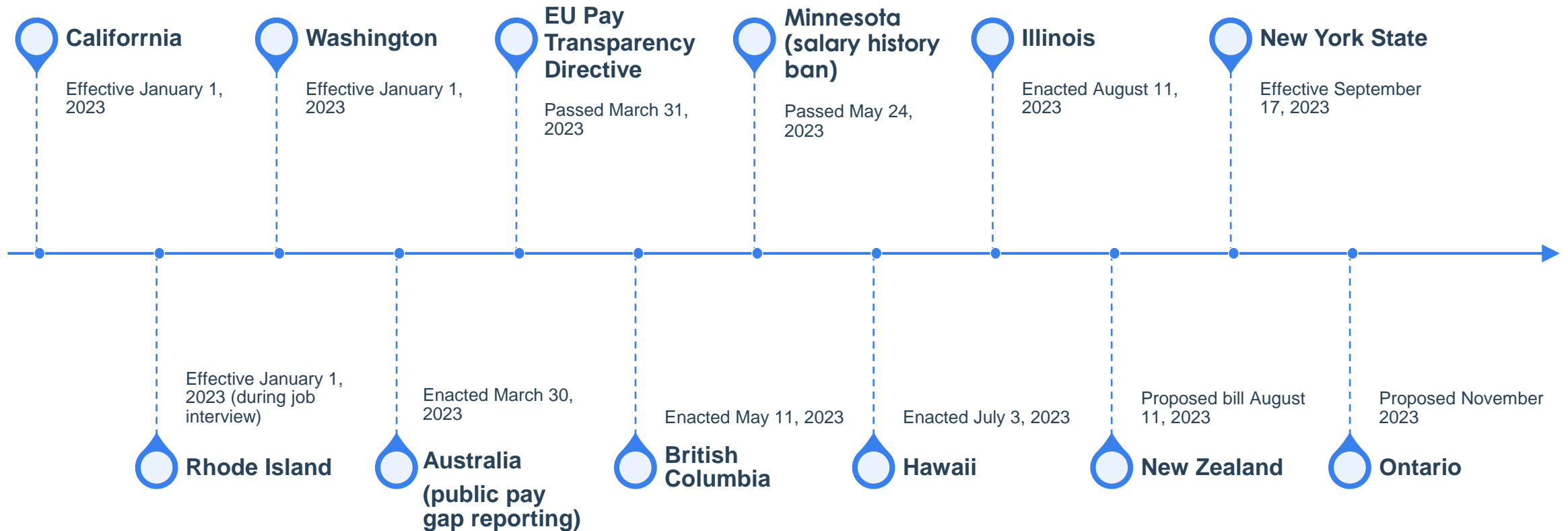
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Today's Agenda

- Recap of 2023 Legislation
- What's in store for 2024?
- Other legislative changes impacting pay

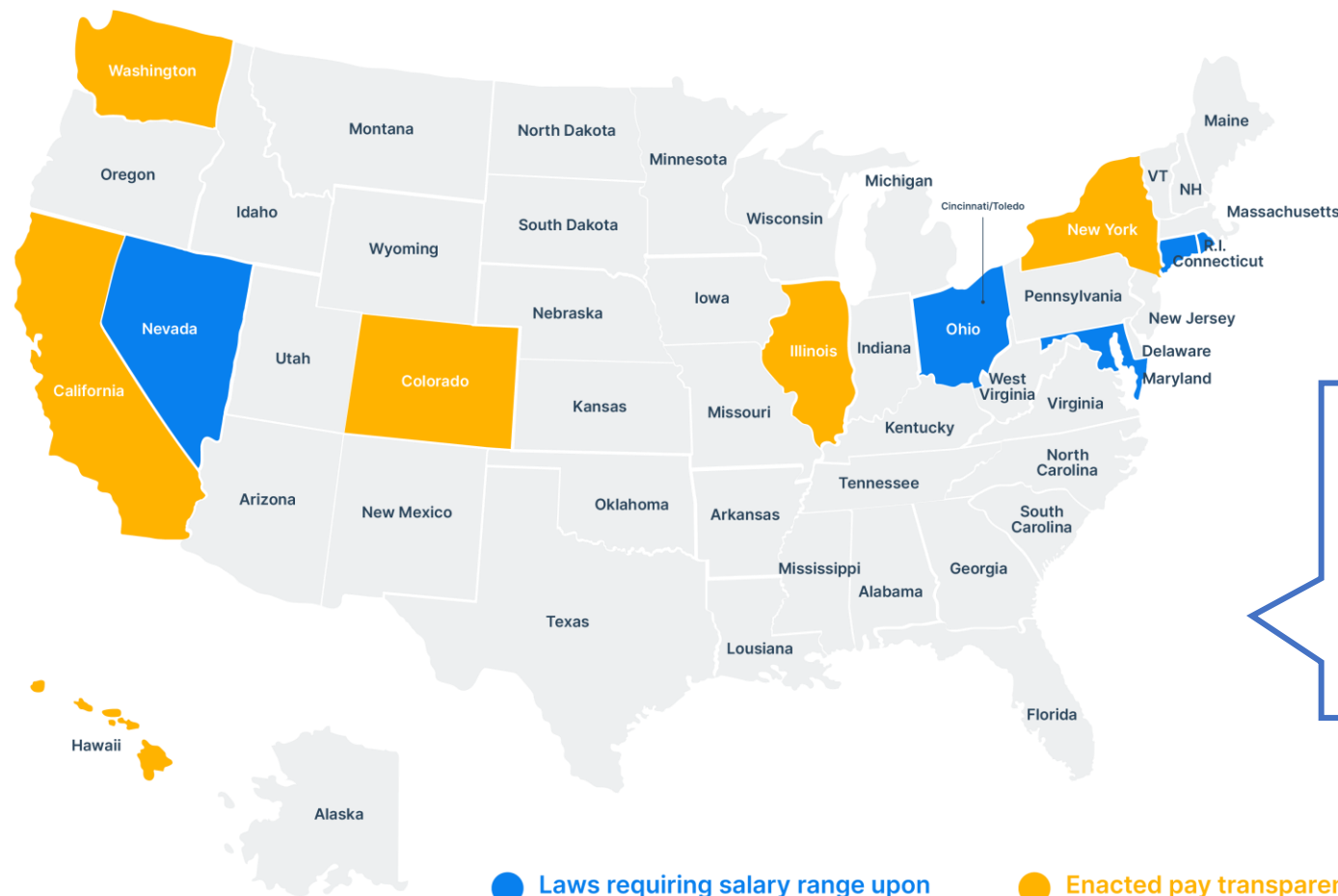
2023 Legislative Recap

2023 Global Legislative Recap



Pay Transparency Legislative Landscape

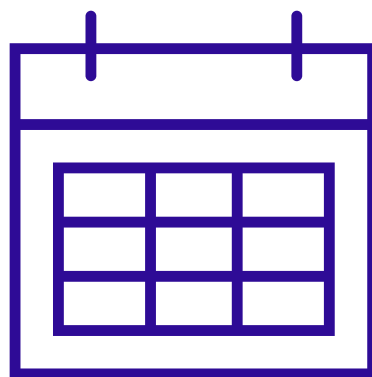
Enacted pay transparency laws



1 in 4 workers live in a state that has some form of pay transparency legislation

● Laws requiring salary range upon request/during interview process.

● Enacted pay transparency laws requiring salary ranges in job postings.



What's in store for 2024?

Washington D.C. Overview

***Effective: June 30, 2024**

- **Who:** employers with 1 or more employees working in Washington D.C.
 - Does not include Federal/District employees
- **What:** minimum to maximum hourly/salary that the employer “in good faith” believes they’ll pay for a role *and* must inform candidate of the existence of healthcare benefits
- **Proposed Penalties:** Attorney General can file a lawsuit for injunctive, compensatory, or other relief *plus* attorney’s fees/costs and penalties.
- **Other considerations:** Salary History Ban and employers must post a notice.

States to Keep an Eye On in 2024

Pay Transparency

New Jersey

Recently moving through legislature

Massachusetts

Waiting for consolidation

Wisconsin

Introduced January 4, 2024

Maine

In limbo

States to Keep an Eye On in 2024 Salary History Bans

Arizona

Introduced 1/17/2024

Virginia

Introduced 1/9/2024

Maryland

(plus pay transparency?)

Introduced 1/24/24



Poll 1: How ready are you?

- We lack confidence in the accuracy of our salary data
- We don't have organized pay structures (e.g. job-based ranges)
- We are not confident in our pay strategy or structures
- We are concerned that we have pay inequity issues
- Leadership is unconvinced in the merits of pay transparency
- Nothing - We're satisfied with our level of pay transparency

Legal Considerations:

Pay Discrimination/Equal Pay Compliance

Colorado Tracking Pay Transparency Complaints

- Over **1,430 complaints** filed since January 1, 2021
- Allegation: failure to advertise pay ranges and keep job description/wage rate records.
- Cure rate after receiving compliance letter **75.62%**
- Over **19 citations** issued, with **5 citations** including fines
- Fines totaling **\$237,000**



U.S. Equal Employment Opportunity Commission

EEOC Releases Strategic Enforcement Plan

Plan Sets Forth Agency's Priorities for Fiscal Years 2024 - 2028

By updating and refining the prior SEP and incorporating public feedback on the agency's strategic priorities, the EEOC is better able to combat employment discrimination, promote inclusive workplaces, and respond to the national call for racial and economic justice. To further those objectives, the EEOC will continue its focus on promoting promising practices to prevent discrimination; **combatting pay discrimination and advancing equal pay**; preventing and remedying systemic harassment; and tackling retaliation. Changes to the SEP include:



Poll 2: 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

Other legislative developments



**Minimum
wage increases
effective 2024**

Twenty-five U.S. states
and 38 cities/counties
will **raise** their minimum
wage this year.

More than **9.9 million**
workers received a **raise**
on January 1, 2024

2024 Minimum Wage Increases

State	2024 Wage	Effective Date
Alaska	\$11.73	1/1/2024
Arizona	\$14.35	1/1/2024
California	\$16.00	1/1/2024
Colorado	\$14.42	1/1/2024
Connecticut	\$15.69	1/1/2024
Delaware	\$13.25	1/1/2024
Hawaii	\$14.00	1/1/2024
Illinois	\$14.00	1/1/2024
Maine	\$14.15	1/1/2024
Maryland	\$15.00	1/1/2024
Michigan	\$10.33	1/1/2024

State	2024 Wage	Effective Date
Minnesota	\$10.85	1/1/2024
Missouri	\$12.30	1/1/2024
Montana	\$10.30	1/1/2024
Nebraska	\$12.00	1/1/2024
New Jersey	\$15.13	1/1/2024
New York	\$15.00/\$16.00	1/1/2024
Ohio	\$10.45	1/1/2024
Rhode Island	\$14.00	1/1/2024
South Dakota	\$11.20	1/1/2024
Vermont	\$13.67	1/1/2024
Washington	\$16.28	1/1/2024

2024 Minimum Wage Increases Cont.

State	2024 Wage	Effective Date
Nevada	\$12.00	7/1/2024
Oregon	\$14.20	7/1/2024
Florida	\$12.00	9/30/2024

2024 Minimum Wage – California Cities

City	'24 Wage
Belmont	\$17.35
Burlingame	\$17.03
Cupertino	\$17.75
Daly City	\$16.62
East Palo Alto	\$17.10
El Cerrito	\$17.92
Foster City	\$17.00
Half Moon Bay	\$17.01
Hayward	\$16.90

City	'24 Wage
Los Altos	\$17.75
Menlo Park	\$16.70
Mountain View	\$18.75
Novato	\$16.86
Oakland	\$16.50
Palo Alto	\$17.80
Petaluma	\$17.45
Redwood City	\$17.70
Richmond	\$17.20

City	'24 Wage
San Carlos	\$16.87
San Diego	\$16.85
San Jose	\$17.55
San Mateo	\$17.06
Santa Clara	\$17.75
Santa Rosa	\$17.45
Sonoma	\$17.60
South SF	\$17.25
Sunnyvale	\$18.55

2024 Minimum Wage – Other cities

City	'24 Wage
Flagstaff, AZ	\$17.40
Boulder County, CO	\$15.69
Denver, CO	\$18.29
Edgewater, CO	\$15.02
Portland, ME	\$15.00

City	'24 Wage
Minneapolis, MN	\$15.57
St. Paul, MN	\$15.57
La Cruces, NM	\$12.36
SeaTac, WA	\$19.71
Seattle, WA	\$19.97
Tukwila, WA	\$20.29

Pay transparency's impact in 2023

A positive impact on talent acquisition

75% of employers agree that pay transparency helps them attract quality candidates¹

61% say recruitment is more efficient by discouraging poorly matched candidates from applying¹

Job postings that include salary data receive **50% more applications**¹

Job postings that include salary data are **three times more likely to deliver quality candidates**¹

Source 1. Zip Recruiter [2023](#)

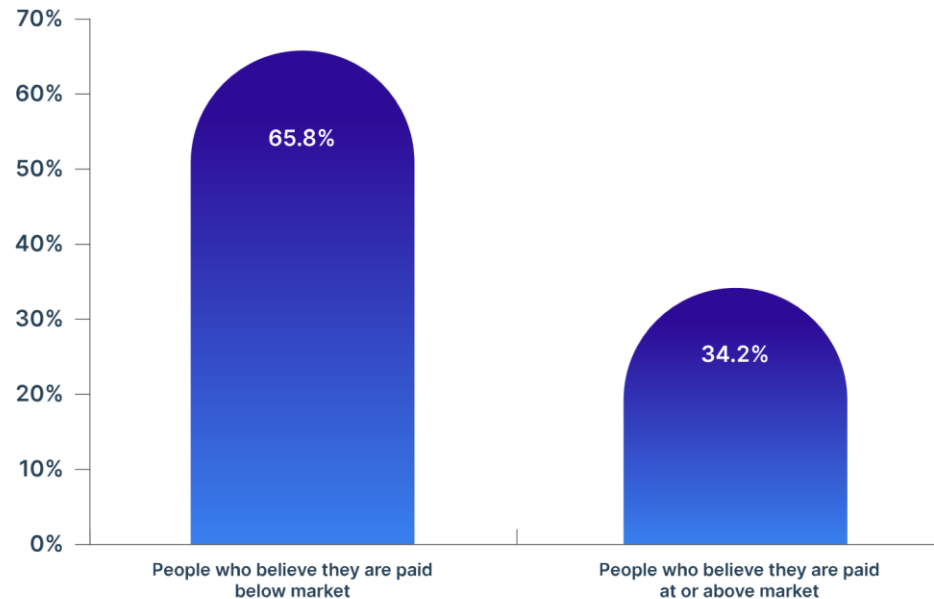
75% of US workers are more likely to trust organizations that provide a salary range in job postings²

65% of orgs that list pay ranges on job postings say it makes them more competitive²

Source 2. SHRM [2023](#)

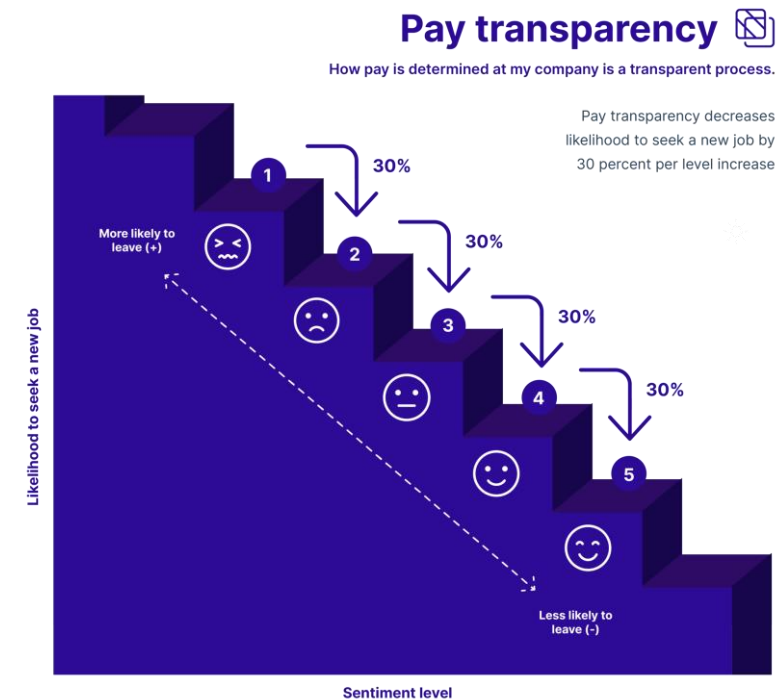
The impact on retention

Perception of fair pay impacts intent to leave



Source: Payscale Fair Pay Impact Research [2023](#)

Pay transparency decreases likelihood to seek a new job by 30 percent (varies by generation)



Source: Payscale Retention Report [2023](#)



Poll 3: What are your concerns about listing pay ranges on job postings?

- It may discourage top talent from applying (ranges too low)
- Posting pay ranges without context of Total Compensation offering may put us at disadvantage
- Do not want our competitors to know what we are paying
- Reduced flexibility in negotiating with candidates
- Impact on existing employees in the same or similar roles
- None of the above
- Other please specify

Key questions for you in 2024

- What must we do to **prepare for compliance** with pay transparency laws?
- Do we want to be a **leader** on pay transparency or a follower?
- What is the **right balance** between local compliance and organization-wide consistency?
- Are we confident our compensation processes **drive pay differentiation** on the right factors? Are these **aligned** with our compensation philosophy?
- Do I have the **resources** to make the shift to pay transparency?



Your pay transparency checklist



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



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



Implement pay frameworks and **review where employees fall within these**



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



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

Q&A

Feel free to ask any questions in the chat!

