

CHECKLIST | Pay Transparency

Presented by Cowden Associates, Inc.

Pay transparency is when an employer openly communicates pay-related information to current or prospective employees through established practices. Because of changing labor markets and a desire to be paid fairly, more employees are demanding pay transparency. As this demand increases, some states have passed legislation requiring organizations to be transparent. In recent years, California, Colorado, Connecticut, Maryland, Nevada, Rhode Island and Washington have all passed pay transparency laws. Some cities, including New York City, Jersey City, New Jersey, and Cincinnati, Ohio, have also passed such laws. Employers should be aware that pay transparency laws vary depending on the jurisdiction.

It's becoming increasingly clear that providing pay transparency is not a temporary trend; therefore, employers may be considering implementing policies into their operations. However, employers should consider the applicable rules and regulations related to pay transparency in their jurisdiction. Additionally, hiring remote workers can trigger pay transparency obligations and create potential risks even in states where employers do not have a physical presence. Even if an employer is in a jurisdiction that may not require pay transparency, it may be beneficial to provide pay-related information to attract talent since employees and applicants are more frequently demanding it.

Overview

This checklist outlines the steps for establishing pay transparency practices. It's intended to be used as a guide, and not all of the following steps may be necessary to create and manage pay transparency practices. Therefore, the steps in this list should be modified to meet any jurisdictional requirements as well as the unique need of your organization. Employers are encouraged to seek legal counsel to address specific issues and concerns.

Ensuring Compliance With Pay Transparency Laws	Completed
Identify all applicable state and local pay transparency laws.	<input type="checkbox"/>
Consider legal obligations and potential risks for any remote workers, if applicable.	<input type="checkbox"/>
Consult with local legal counsel regarding pay transparency requirements and practices, if necessary.	<input type="checkbox"/>
Review current recruiting and compensation practices to ensure they are consistent with all applicable state and local pay transparency requirements.	<input type="checkbox"/>
Ensure the organization's recruiting and compensation practices, including job postings or listings, comply with all applicable state and local pay transparency laws.	<input type="checkbox"/>
Train personnel responsible for overseeing recruiting and compensation practices—such as recruiters, hiring managers and interviewers—on pay transparency requirements, including establishing pay ranges and bands or creating job postings.	<input type="checkbox"/>

This checklist is merely a guideline. It is neither meant to be exhaustive nor meant to be construed as legal advice. It does not address all potential compliance issues with federal, state or local standards. Consult your licensed representative at Cowden Associates, Inc. or legal counsel to address possible compliance requirements. © 2023 Zywave, Inc. All rights reserved.

Ensuring Compliance With Pay Transparency Laws (Continued)	Completed
Communicate the organization’s pay transparency requirements to any agency used to recruit talent, if applicable.	<input type="checkbox"/>
Review pay transparency policies and practices regularly and update them as needed to ensure compliance with all applicable state and local pay transparency laws.	<input type="checkbox"/>

Establishing Pay Transparency Practices	Completed
Review existing pay ranges or bands based on job titles, roles, responsibilities and geography.	<input type="checkbox"/>
Examine any inconsistencies between pay ranges for job postings and existing roles and decide if the discrepancies are warranted.	<input type="checkbox"/>
Consult relevant benchmarking data based on the organization’s industry and location.	<input type="checkbox"/>
Develop pay ranges or bands for the organization’s roles.	<input type="checkbox"/>
Ensure practices for establishing pay ranges or bands are equitable and based on data.	<input type="checkbox"/>
Amend existing pay ranges or bands to ensure job postings and compensation for current employees are consistent with established pay ranges or bands.	<input type="checkbox"/>
Confirm that pay ranges or bands for current employees are accurate and accessible.	<input type="checkbox"/>
Decide how to provide access to pay ranges or bands to recruiters, hiring managers, interviewers and other key stakeholders.	<input type="checkbox"/>
Educate the organization’s leaders, recruiters, hiring managers and interviewers on pay transparency laws, requirements and practices.	<input type="checkbox"/>
Train recruiters, hiring managers and interviewers to facilitate difficult compensation conversations with candidates and employees.	<input type="checkbox"/>
Ensure recruiters, hiring managers, interviewers and other key stakeholders are aware of the organization’s policies and practices for establishing pay ranges or bands.	<input type="checkbox"/>
Formalize a process for salary negotiations.	<input type="checkbox"/>
Communicate pay transparency practices and policies to current employees, as appropriate.	<input type="checkbox"/>
Establish pay transparency messaging and strategies for recruiting and hiring talent.	<input type="checkbox"/>
Provide recruiters, hiring managers and interviewers with pay transparency messaging and strategies.	<input type="checkbox"/>

Create pay transparency resources and trainings for recruiters, hiring managers and interviewers addressing topics such as pay ranges, career ladders and interview scripts.	<input type="checkbox"/>
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Creating Compliant Job Postings	Completed
Follow pay transparency requirements for each job posting.	<input type="checkbox"/>
Make certain expected pay scale information, including minimum and maximum hourly or salary compensation, pay ranges, bonuses and commissions, are provided in each job posting, if required.	<input type="checkbox"/>
Communicate benefits-related information in each job posting, if required.	<input type="checkbox"/>
Ensure pay scale and benefits information is accurate in each job posting.	<input type="checkbox"/>
Create a process for disclosing pay-related information when requested by an applicant, at the time of an employment offer or when an applicant has completed an interview for a position, including promotions, if required.	<input type="checkbox"/>
Review job postings regularly for accuracy and to ensure compliance.	<input type="checkbox"/>
Maintain records of employee job titles and wage history, if required.	<input type="checkbox"/>

Successful pay transparency practices will differ based on the unique needs of an organization and applicable legal requirements. Regularly evaluating pay transparency practices and processes can help organizations ensure compliance with applicable state and local laws and strengthen attraction and retention efforts. It can also help organizations identify any gaps in their processes and adjust to avoid incurring costly fines and penalties or losing key talent.

Contact Cowden Associates, Inc. today for more information about pay transparency.