

Guidance on Employers' Obligations Under the Wage Transparency Act

On July 31, 2024, the Governor signed An Act Relative to Salary Range Transparency ("Wage Transparency Act") into law to increase equity and transparency in pay in the Commonwealth. The Attorney General's Office is releasing this initial guidance for employers on the requirements of the law and for employees on their rights under the law.

Why Wage Transparency?

Research shows that salary range transparency in the hiring process is one of the best tools to close gender and racial wage gaps. Furthermore, research has found that most workers are more likely to consider applying to a job, and trust the associated workplace, if the pay range is listed in the job posting. Beyond ensuring that workplaces in the Commonwealth are more equitable, the Pay Transparency Act will help strengthen the Massachusetts economy and its competitiveness by attracting and retaining the best talent.

How Does the Act Ensure Increased Transparency in Wages?

The Act ensures increased transparency in wages in three main ways.

First, any employer with 25 or more employees in the Commonwealth must disclose the pay range in the job posting for any position.

Second, employees or prospective employees have a legal right to know the pay range for a position upon applying for a position, promotion, transfer, or beginning a new position with an employer with 25 or more employees in the Commonwealth. Employees also have the right to request the pay range for their current position. The law protects employees who have been retaliated against for exercising this right.

Third, the law also requires employers of a certain size to report data and demographic information by submitting their "EEO Reports" to the Secretary of the Commonwealth.

How Can Employers Ensure Compliance with the Wage Transparency Act?

There are two key components of the Wage Transparency Act that Covered Employers must comply with: the requirements to (1) disclose pay ranges and (2) to submit EEO reports to the Secretary of the Commonwealth.

Requirement to Disclose Pay Ranges

- Beginning **October 29, 2025**, the law requires employers with 25 or more employees ("covered employers") to establish and disclose pay ranges in job postings and to employees. A "pay range" is "the annual salary range or hourly wage range that the employer reasonably and in good faith expects to pay for such a position at that time."
- Also beginning **October 29, 2025**, employees or prospective employees of covered employers have a right to know the pay range for a position when applying for a position, upon promotion, transfer, or beginning a new position, and on request for their current position. Covered employers are prohibited from retaliating against employees who seek to exercise their rights under the law.
- Employers are not precluded from electing to disclose pay ranges in accordance with the law *prior* to October 29, 2025.

A covered employer found to have violated this requirement is subject to the following penalties:

- warning for the first offense;
- a fine of not more than \$500 for the second offense;
- a fine of not more than \$1,000 for the third offense; and
- a fourth or subsequent offense shall be subject to paragraphs (1) and (2) of subsection (b) of General Laws Chapter 149, Section 27C.

Until **October 29, 2027**, covered employers will have 2 business days to cure defects upon receipt of a Notice to Cure letter from the Attorney General's Office.

Requirement to Submit EEO Data Reports

- The law also requires employers with 100 or more employees who are subject to the federal filing requirements of EEO Data Reports to submit their EEO Data Reports to the Secretary of the Commonwealth for transmission to the Executive Office of Labor and Workforce Development (EOLWD).
 - **This provision does not create any new workforce data collection requirements for Covered Employers.** Employers who already submit the following reports to the EEOC will now submit these reports to the Secretary of the Commonwealth as well, according to the schedule outlined below:

Employers who file:	Must file EEO Report with the Secretary:	By:	Starting in year:
EEO-1	Annually	February 1	2025
EEO-3	Odd Numbered Years	February 1	2025
EEO-4	Even Number Years	February 1	2026
EEO-5	Odd Numbered Years	February 1	2025

A covered employer who is found to have violated this requirement is subject to the following penalties:

- warning for the first offense;
- a fine of not more than \$500 for the second offense;
- a fine of not more than \$1,000 for the third offense; and
- a fourth or subsequent offense shall be subject to paragraphs (1) and (2) of subsection (b) of General Laws Chapter 149, Section 27C.

Until **October 29, 2026**, covered employers will have 2 business days to cure defects upon receipt of a Notice to Cure letter from the Attorney General's Office.

What if an employee or prospective employee believes their rights have been violated?

We encourage you to file a complaint with the Attorney General's Civil Rights Division. You can find more information at <https://www.mass.gov/how-to/file-a-civil-rights-complaint>.