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Massachusetts Becomes the Latest State to Impose Pay Transparency Requirements on Employers

Following in the footsteps of multiple other states, Massachusetts Governor Maura Healey recently signed into law An Act Relative to Salary Range Transparency (the “Act”), which will impose pay transparency requirements on employers and require disclosure of certain salary information to the Commonwealth.

Starting on July 31, 2025, covered employers (those with 25 or more employees in Massachusetts) must provide the pay range for an employment position:

- in any posting for that position;
- to a current employee who is offered a promotion or transfer to that position; and
- where requested, to an employee who currently holds that position and to an applicant for that position.

A “posting” is defined as any advertisement or job posting intended to recruit job applicants for a particular and specific employment position, including internal and external postings and postings by recruiters or other third parties. “Pay range” is defined as the annual salary range or hourly wage ranges that the employer reasonably and in good faith expects to pay for that position at that time. Notably, the pay range disclosure need not include bonuses, commissions, equity or other types of incentive compensation or benefits.

Starting (for private employers) on February 1, 2025, the Act also requires employers with 100 or more employees to submit an annual “aggregate wage data report” to the Massachusetts Executive Office of Labor and Workforce Development. This report will include the same workforce demographic and pay data already required by the U.S. Equal Employment Opportunity Commission Employer Information Report, commonly known as the EEO-1 report.

The Act also makes it unlawful to terminate, retaliate or discriminate against any employee or applicant who has exercised rights under the Act or complained of an alleged violation of the Act.

The attorney general has the sole authority to enforce violations of the Act (other than claims for retaliation or discrimination). Violations of the Act may result in injunctive or declaratory relief, as well as a warning for the first offense and fines of up to \$500 for the second offense, up to \$1,000 for the third offense, and from \$7,500 to \$25,000 for a fourth or subsequent offense. Up until July 31, 2026, employers will have two business days after receiving notice of a violation to cure that violation before a fine will be imposed.

No later than January of 2026, the attorney general is required to conduct a “public awareness campaign,” which is expected to include more detail for employers around compliance with the Act. In the meantime, in preparation for the Act’s effective dates, covered employers should:

- develop pay ranges for each of their positions;
- consider taking this opportunity to analyze pay practices for any improper wage disparities, which will also serve as a defense to potential Massachusetts Equal Pay Act claims;
- develop a practice and communication plan to respond to inquiries from current employees and applicants with regard to pay ranges for their positions; and
- review their EEO-1 practices to comply with the Act’s requirements and prepare to submit reports to the Commonwealth by the

February 2, 2025 deadline.

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