

June 15, 2021

Employer-Mandated Disclosure of Wage Ranges and Expansion of Equal Pay Law Enacted in Connecticut

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Beginning October 1, 2021, Connecticut employers, meaning those that employ at least one employee in the state, will be required to disclose wage ranges for vacant positions pursuant to an amendment of existing laws concerning salary history and equal pay, titled "An Act Concerning the Disclosure of Salary Range for a Vacant Position" (the Act). In enacting this amendment last week, Connecticut joined other states, including California, Maryland, and Washington, which already have imposed similar disclosure obligations on employers. In addition, the Act amends Connecticut's equal pay law by expanding employers' obligations to provide employees with equal pay for comparable work.

Under the amended law, employers will be required to provide prospective employees with wage range information for vacant positions for which they have applied before or at the time an offer of compensation is made, or at the applicant's request, whichever occurs first. Employers also will be required to provide their employees with wage range information upon hire, upon a change in the employee's position, or upon the employee's first request for such information. A "wage range" is defined as "the range of wages an employer anticipates relying on when setting wages for a position." In establishing the wage range for a particular position, employers may reference any applicable pay scale, previously determined range of wages for the position, actual range of wages for employees who currently hold comparable positions, or the budgeted amount for the position. This law appears to be a furtherance of the ban on employers' ability to request salary history information of applicants, which became effective January 1, 2019.

Connecticut's equal pay law, which prohibits employers from discriminating in the amount of compensation paid to any employee on the basis of sex, also was amended. The amendments specify that employees of the opposite sex may not be paid less for "comparable work" (previously referred to as "equal work"); this is determined based on a review of various factors, including "a composite of skill, effort and responsibility." The amendments also specify that geographic location, credentials, skills, education, and training may be bona fide factors other than sex upon which a compensation differential can be based.

As a result of these new amendments, Connecticut employers now will be required to establish, or have some sense of, wage ranges for positions within their organizations. They also will have to incorporate these disclosure requirements into their hiring process and those of any third party providing hiring/recruiting services to the employer. In order to comply with the new requirement that employees be paid equally for comparable work (versus equal work), it may also be an appropriate time for employers

to review employee compensation across their organizations to ensure employees are in fact being paid equally for comparable work. In accomplishing these objectives, employers would be well advised to review and modify their existing policies, practices, and processes related to recruitment, hiring, and compensation and to train personnel engaged in hiring/recruiting. To ensure compliance with the law as it relates to these issues, employers are encouraged to seek competent legal counsel.

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