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Hawaii Legislature Passes Pay Transparency, Pay Discrimination Bill

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On May 4, 2023, Hawaii lawmakers sent a bill to the governor that would require employers to disclose hourly pay rates or salaries in job listings and expand pay discrimination protections—which could make the Aloha State the latest state to enact a pay transparency law.

Quick Hits

- The Hawaii legislature passed a pay transparency bill that would require disclosure of hourly pay rates or salaries in job listings and amend the state's equal pay protections.
- If enacted, the bill would become effective on January 1, 2024.

Pay Transparency

The bill, <u>Senate Bill (SB) 1057</u>, was sent to Governor Josh Green after being passed by both legislative chambers on May 2, 2023. The bill's stated purpose is to "reduce pay inequalities" by increasing pay transparency and prohibiting pay discrimination for substantially similar work. If enacted, the bill would go into effect on January 1, 2024.

Specifically, the bill would require employers to "disclose an hourly rate or salary range that reasonably reflects the actual expected compensation" in listings for job openings. The disclosure requirements would not apply to three situations:

- "internal transfers or promotions within" an employer,
- "public employee positions for which salary, benefits, or other compensation are determined pursuant to collective bargaining," or

positions with employers that have "fewer than fifty employees."

The bill would further prohibit employers from discriminating between employees based on "any protected category" established by state law, not based just on "sex," by paying such employees less for "substantially similar work."

Next Steps

The Hawaii bill would add the Aloha State to the growing list of states and localities with pay transparency laws—including <u>California</u>, <u>Colorado</u>, <u>New York State</u>, <u>Washington</u>, and <u>New York City</u>—that require employers to disclose wage ranges in job postings. If the bill is signed, employers in Hawaii may want to review their policies surrounding job advertisements in light of the pay disclosures the new bill would require. Note, that— unlike some other pay transparency laws—the Hawaii bill would not require disclosure of expected pay for internal transfers or promotions, employers need not consider these situations if preparing for compliance.

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