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## Illinois to Require Pay Transparency in Job Postings

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Illinois has joined a growing list of states that have enacted wage transparency statutes. Gov. J.B. Pritzker signed the law in early August and it will be effective on Jan. 1, 2025.

Wage transparency statutes arose out of a concern that job candidates and current employees may accept a lower salary or hourly rate than their peers due to a lack of information on an employer's compensation range and benefits for the opening. In short, wage transparency statutes seek to enhance the opportunity for marginalized persons and other individuals to maximize their earnings potential by providing them with accurate and timely information on an employer's pay scale and benefits.

These laws affect the labor market test for the PERM process. Employers are required to comply with state and local regulations when conducting the recruitment process for their foreign national employee. In states and municipalities with wage transparency laws or statutes, PERM recruitment methods may require a published salary range or pay scale in addition to benefits offered. Wage transparency laws vary depending on the state, or municipality.

The <u>Illinois legislation states</u> that if an employer with 15 or more employees "engages a third party to announce, post, publish, or otherwise make known a job posting, the employer shall provide the pay scale... to the third party and the third party shall include the pay scale ...in the job posting." Employers in violation will be fined.

Additionally, employers will be required to communicate any opportunity for promotion to all current employees, for jobs that will either be performed in Illinois or supervised by someone located in Illinois.

Under HB 3129, an Illinois employer or employment agency will be required to:

- a) include pay scale and benefits (wage and salary) information in all job postings
- b) announce opportunities for promotion to current employees by no later than 14 calendar days after the employer advertises the job to prospective external employees; and
- c) ensure that any third-party advertising has the information regarding the pay scale and benefits

Illinois joins the states that have passed wage transparency laws:

- 1. California
- 2. Colorado
- 3. Connecticut
- 4. Hawaii (will take effect Jan. 1, 2024)
- 5. Maryland
- 6. Nevada
- 7. New York (will take effect Sept. 17, 2023)
- 8. Rhode Island
- 9. Washington

Some county and local governments have enacted wage transparency regulations as well. Albany County and Jersey City in New Jersey have regulations relating to pay transparency as well as Cincinnati and Toledo in Ohio.

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