

Vermont Latest in Growing List of States to Enact Pay Disclosure Law

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Vermont Governor Phil Scott signed [H.704](#) on June 4, 2024, mandating pay transparency in job postings and advertisements. Effective July 1, 2025, employers with at least five employees must include in any “Vermont job opening” advertisement the compensation or range of compensation for the advertised position.

Why It Matters

The law applies not only to positions “physically located in Vermont” but also any remote positions that will predominately perform work for an office or work location physically located in Vermont. In addition, the law applies to positions that are (1) open to internal or external candidates, or both, and (2) positions into which current employees can transfer or be promoted.

Definition of Advertisement

“Advertisement” is any “written notice, in any format, of a specific job opening that is made available to potential applicants.”

The law does not include:

- General announcements that notify potential applicants that employment opportunities may exist with the employer but do not identify any specific job openings; or
- Verbal announcements of employment opportunities made in person or on the radio, television, or other electronic mediums.

What Must Be Disclosed

Advertisements must include the minimum and maximum annual salary or hourly wage for a job opening the employer expects in good faith to pay for the advertised job at the time the employer creates the advertisement. The law does not prevent an employer from hiring an employee for more or less than the range of compensation advertised based on circumstances outside the employer’s control, such as an applicant’s qualifications or labor market forces.

Exceptions

Job advertisements for positions paid on a commission basis must disclose that the position is commission-based, but the employer is not required to disclose the compensation or range of compensation.

Advertisements for positions paid on a tipped basis must disclose that it is a tipped position and provide the base wage or range of base wages for the job opening.

To Be Determined

There is no provision for fines or other penalties for violations of the law. The Vermont Attorney General's Office is to publish on its website guidance on the pay disclosure law before Jan. 1, 2025, six months before the law's effective date.

Next

With this latest development in state pay equity and transparency laws, employers should:

- Conduct training for recruiters and hiring and compensation managers on pay equity and transparency laws
- Review job descriptions, postings, and advertisements to ensure compliance with state and local laws
- Review career sites to remove or revise outdated or non-compliant job postings
- Review compensation processes and systems
- Conduct a privileged pay analysis
- Remember that the salary range requirement for postings also would apply to recruitments conducted for PERM green card applications for foreign nationals

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