

# Massachusetts Adopts Pay Transparency and Reporting Requirements

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Massachusetts has enacted a [new law](#) imposing pay transparency and pay data reporting obligations on employers in the state. The law will take effect on July 31, 2025.

## Quick Hits

- On July 31, 2024, Governor Maura Healey signed into law legislation requiring Massachusetts employers with twenty-five or more employees to disclose pay ranges.
- Employers with one hundred or more employees and subject to EEO-1 reporting obligations will be required to report aggregated wage data by race, ethnicity, sex, and job category annually as a supplement to the EEO-1 report to the state.
- Compliance failures could result in penalties ranging from a warning for an initial violation, a \$500 fine for a second violation, and a fine of \$1,000 for a third violation.

In October 2023, the Commonwealth's House of Representatives passed a pay disclosure bill (H.4109) by a vote of 148–8, and the state Senate adopted that bill in the form of S.2484 by a vote of 38–1. Those two somewhat different bills languished in committee, but on July 19, 2024, the conference committee recommended passage of a new bill that ironed out differences between the two versions in the form of a modestly amended bill ([H.4890](#)). Both chambers voted overwhelmingly in favor of the bill and passed it on July 24, 2024. On July 31, 2024, Governor Maura Healey signed into law H.4890, the "[Frances Perkins Workplace Equity Act](#)."

## Covered Employers

The law requires businesses that employ twenty-five or more employees in Massachusetts to disclose the "pay range" of a particular job: (i) in any job advertisement or posting, including recruiting efforts by a third party; (ii) to an employee offered a promotion, transfer, or a new position with different responsibilities; (iii) to an employee in a specific position upon request; and (iv) to an applicant upon request. "Pay range" is defined as the "annual salary range or hourly wage range that the covered employer reasonably and in good faith expects to pay for such position at that time." Notably, H.4890 does not include the obligation to disclose "other compensation" that had appeared

in prior versions of the legislation, suggesting that the disclosure obligation only applies to base salary or hourly wages and not to other forms of compensation, such as bonuses, commissions, deferred compensation, stock options, or other forms of equity or benefits.

## Enforcement

The statute will be enforced by the attorney general. Penalties will range from a warning for an initial violation, a \$500 fine for a second violation, a fine of \$1,000 for a third violation, or an enforcement action under Massachusetts General Laws, chapter 149, section 27C for subsequent violations. Significantly, the statute provides for some limits on exposure to fines or enforcement actions for multiple violations, as it provides that any violations that occur within forty-eight hours constitute “an offense” (thereby reducing the potential of fines for multiple violations related to what is in effect the same transgression).

## Pay Data Reporting

The law also imposes extensive pay data reporting obligations, requiring employers of one hundred or more employees (full-time or part-time) *and* that are subject to EEO-1 reporting obligations to report aggregated wage data by race, ethnicity, sex, and job category annually as a supplement to the EEO-1 report to the state.

Unions, public employers, and school systems that meet the definition of a “covered employer” with one hundred or more employees are subject to similar obligations, but on an every-other-year (i.e., biannual) basis. However, wage data reporting on the federal EEO-1 is currently not required, as the federal government has not implemented the so-called “component 2” wage data reporting. As such, the Massachusetts state reporting obligation appears to be on hold, at least for now, and depends on the potential implementation of pay data reporting obligations at the federal level.

If and when reporting obligations kick in, the state would publish aggregated wage data reports on the Executive Office of Labor and Workforce Development’s [website](#), categorized by various industries. It is not clear what level of detail would be published or how it would be reported. However, as the data would be aggregated, it appears that the reports would not identify specific employers.

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