Client Alert
Minnesota Passes Pay Transparency Law

WHAT'S NEW: On May 17, 2024, Gov. Tim Waltz signed a pay transparency bill into law. Effective **January 1, 2025**, Minnesota employers with 30 or more employees will be required to post salary ranges on job postings.

WHAT IT MEANS: Any employer with 30 or more employees who perform work at one or more worksites in Minnesota will need to provide a salary range on all job postings.

- The law requires that employers make a "good faith estimate" when drafting the salary range.
- If the employer does not plan to offer a range, the employer can also post the "fixed pay rate" that applies to the position.
- Ranges cannot be open-ended, and the posting must also include a general description of all benefits and other compensation, including insurance, retirement plans, bonuses, and any other financial benefits or perks associated with the position.

WHAT EMPLOYERS SHOULD DO: Before January 1, 2025, employers with 30 or more employees in Minnesota should:

1. Review your current job posting procedures to ensure compliance with the law, including any procedures utilizing third-party recruitment.
2. Review job posting templates and revise to include sections for pay range, benefits, and other compensation.
3. Establish policies and protocols to determine and document pay ranges for positions. Policies should be based on objective criteria, including but not limited to education, experience, and market rates. These policies should be consistent across the employer, regardless of worksite location.
4. Pay attention to and understand your pay practices. As part of your Engage services, your Engage HR Partner conducts an annual wage and hour audit that can help identify potential issues. Make sure that you address and fix any issues before January 1, 2025, as increased scrutiny on pay practices is expected.
5. Remember that current and future employees will be able to see hirings rates for new positions.

Please reach out to your HR Partner if you have any questions.