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Client Alert

Maryland Wage Transparency Updates

WHAT'S NEW: Maryland Governor Wes Moore signed legislation amending the *Equal Pay for Equal Work* law to include additional pay transparency requirements. The new law will take effect on October 1, 2024.

WHY IT MATTERS: Under the existing *Equal Pay for Equal Work Law*, employers are prohibited from discriminating against employees by 1) paying wages to an employee of one sex or gender that are less than those paid to other employees under certain circumstances and 2) by providing less favorable employment opportunities based on sex and gender identity. Also, under the existing law employers may not rely on wage history in screening and hiring decisions and are not permitted to seek wage history for an applicant (except in narrow circumstances). Upon request an employer is required to provide an applicant with the wage range for a position.

The new law aims to strengthen existing law by also requiring disclosure of pay rates and other information in job postings. An overview of the new law is as follows:

- Employers are required to disclose the "wage range and a general description of benefits, and any other compensation offered for the position" in all pubic or internal job postings.
- The law applies to any **position for work** "that will be physically performed, at least in part," in Maryland.
- **Posting** is defined as "a solicitation intended to recruit applicants for a specific available position." It applies to postings made by the employer or a third party.
- **Wage range** is the minimum and maximum pay for a position set in good faith by reference to:
    - Any applicable pay scale;
    - Any previously determined minimum or maximum pay for the position;
    - The range for the individual holding a comparable position; or
    - The budgeted amount for the position.
- In the event that no posting was made, the employer must provide the information before a compensation discussion is held with the applicant and at any other time the applicant requests such information.
- The Commissioner of Labor and Industry will develop a form that an employer may utilize to transmit the information required under the law - either by including the form in each posting or by making the completed form available to applicants.
- Retaliation is prohibited. Employers may not take action against an employee for refusing to provide wage history, requesting a wage range or for exercising any rights under the law.
- The law applies to all employers "engaged in business, industry, profession, trade or other enterprise" in Maryland.
- Employers are required to maintain records for at least three years after the position is filled or if not filled, then three years after the position was initially posted.

WHAT EMPLOYERS SHOULD DO: Employers should review their policies and procedures as they pertain to job positions, job postings and the hiring process to ensure that applicants are made aware of wage ranges, benefits and other compensation.

Please reach out to your Engage Human Resources Partner if you have any questions concerning this alert or other H.R.-related matters.