Client Alert

Illinois Pay Transparency

WHAT'S NEW: Employers with 15 or more employees must now include pay scale and benefit information on job postings. The Equal Pay Act of 2003 was recently amended and signed by Governor Pritzker.

WHAT IT MEANS: All employers must provide pay and benefit information on specific job postings. This applies to positions that will be "physically performed, at least in part, in Illinois" or will be performed outside the state but the "employee reports to a supervisor, office, or other work site in Illinois."

Employers must also announce, post, or otherwise make known all opportunities for promotion.

If employers fail to comply with this new law, they can face fines up to $10,000. However, for the first offense, the employer will be given a 14-day period to cure the offense, along with a fine of no more than $500.

WHAT EMPLOYERS SHOULD DO: **Before January 1, 2025**, employers with 15 or more employees in Illinois 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 salary range, benefits, and other compensation.
3. Establish policies and protocols to determine and document pay scales 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 Consultant 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 hiring rates for new positions.

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