CLIENT ALERT



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New York City's Salary Disclosure Law -Action Required to Avoid Fines Up to \$125,000

The New York City Council passed a bill aimed at promoting wage equity for groups who have historically received lower compensation by requiring disclosure of salary when seeking applicants for open job positions. New York City Mayor Eric Adams had up until midnight on January 14, 2022 to veto the bill and did not do so. As a result, the new law will go into effect 120 days later, on May 14, 2022. The law follows a wave of legislation nationwide mandating that employers be more transparent about a position's salary range.

Requirements Under the New Law

Under the new law, which amends the New York City Human Rights Law (NYCHRL), employers must provide the minimum and maximum salary for any position located within New York City when advertising or posting a job opening for that position. Specifically, the law provides that this range may extend from "the lowest to the highest salary that the employer in good faith believes at the time of the posting it would pay for the advertised job, promotion, or transfer opportunity."

The requirement to provide the salary range for job postings published on any form of media begins on May 14, 2022. The mandate will apply to all New York City employers with four or more employees, including independent contractors but excluding temporary employees that are hired through a temporary help firm.

Fines for Violating the New Law

Not posting the minimum and maximum salaries will be considered an "unlawful discriminatory practice" under the NYCHRL and may result in fines up to \$125,000.

Are there any exceptions or exemptions under the new law?

Employers of domestic workers, who are already legally required to post hourly pay regardless of staff size, are exempt from this law's disclosure requirements. Moreover, as indicated above, the law does not apply to temporary agencies as they are also already required to provide salary information upon interviewing applicants in accordance with New York State's Wage Theft Prevention Act.



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Policy Considerations to Ensure Compliance

As the term "salary" is not defined in the statute, employers should comply with the posting requirements regardless of whether a position is a salaried (exempt) or hourly (nonexempt) position. New York City employers should begin preparing for this new wage transparency law by reviewing the salary ranges of existing positions and determining whether to make any changes to those ranges to attract new candidates or retain current employees once the law goes into effect. Before implementing changes to existing policies, employers are advised to consult with qualified counsel knowledgeable in this area of law.

The information provided in this Client Alert does not, nor is it intended to, constitute legal advice. Readers should not take or refrain from taking any action based on any information contained in this Client Alert without first seeking legal advice.

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