

## **PAY TRANSPARENCY REQUIREMENTS ARE COMING TO ILLINOIS IN 2025**

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Employers hiring for positions that will be performed in Illinois or report to a supervisor or office/worksite in Illinois will soon need to comply with pay transparency requirements recently signed into law by Gov. J.B. Pritzker as part of amendments to the Illinois Equal Pay Act.

### **KEY DETAILS**

**Effective Date:** The pay transparency requirements apply to job postings that are posted after January 1, 2025.

**Covered Employers:** All employers with employees who are employed in Illinois are covered by the Illinois Equal Pay Act. However, the new pay transparency requirements apply only to employers with 15 or more employees.

**Covered Job Postings:** The pay transparency requirements apply only to positions that: (i) will be physically performed (in full or in part) in Illinois; or (ii) will be physically performed outside of Illinois but require the employee to report to a supervisor, office or other work site in Illinois.

#### **Pay Transparency Requirements:**

1. Every specific job posting must include the “pay scale and benefits” for the position.
2. Because job postings are not required, employers must disclose to applicants the pay scale and benefits to be offered for the position prior to any offer or discussion or compensation, or at the applicant’s request (if there is no posting).

**Definition of “pay scale and benefits”:** Pay scale and benefits means “the wage or salary, or the wage or salary range, and a general description of the benefits and other compensation, including, but not limited to, bonuses, stock options, or other incentives the employer reasonably expects in good faith to offer for the position, set by reference to any applicable pay scale, the previously determined range for the position, the actual range of others currently holding equivalent positions, or the budgeted amount for the position, as applicable.”

**Methods for Compliance:** In lieu of directly setting forth the information in the job posting itself, the pay scale and benefits may be provided in the posting via a hyperlink to a publicly viewable webpage that includes the pay scale and benefits. Benefits information also may be provided via reference in the job posting to a general benefits description available in an “easily accessible, central, and public location on an employer’s website[.]”

**Use of Third Parties:** Employers that use a third party for job posting purposes must provide the necessary pay scale and benefits information to the third party (via hyperlink is permissible) and the third party must include the information in the job posting.

**Announcement of Openings to Current Employees:** Employers are also required to inform (via announcement, posting or otherwise) all current employees of all opportunities for promotion within 14 calendar days of making an external job posting for the position. Although the statutory reference to “all current employees” suggests that this requirement should be understood broadly, the exact scope of this requirement is not yet known. For example, it is unclear whether this notice must be given to all employees for whom the position would be a promotion, even they are completely unqualified for the position (as in Colorado), or only to those employees who actually meet the minimum qualifications for the position. Regulatory guidance may eventually clarify the scope of this requirement.

**Discussion of Pay Expectations:** Employers are still permitted to ask applicants about their wage or salary expectations for a position.

**Other Requirements:**

- Record Keeping: Employers must preserve records documenting the pay scale and benefits for each position and the job posting for each position for at least 5 years.
- No Retaliation: Employers may not refuse to interview, hire, promote, or employ, or retaliate against, an applicant or employee for exercising their rights with respect to pay transparency.

**Enforcement:**

- Complaints: Complaints by applicants or employees may be filed with the Illinois Department of Labor (IDOL) within one year of the alleged violation. The IDOL may investigate after receiving a complaint.
- Fines: Depending on the number of offenses and whether a particular job posting or batch of postings is active at the time the IDOL issues a notice of violation, employers may be given an opportunity to cure the violation and may be fined from \$0 - \$10,000.

**Prior Prohibitions:** Since 2019, Illinois employers have been [prohibited from](#):

- Screening job applicants based on their current or prior wages or salary histories by requiring that the wage or salary history of an applicant satisfy minimum or maximum criteria;
- Requesting or requiring that an employment applicant (or his/her current or former employer) provide a wage or salary history as a condition of being considered for a position, interviewed, or as a condition of an offer of employment;
- Requesting or requiring that an applicant disclose wage or salary history as a condition of employment;
- Refusing to hire an applicant for refusing to comply with a salary history inquiry.

Illinois is not the first, and won't be the last, state to adopt pay transparency requirements. For a discussion of the background and state legislation on this issue, see BCLP's March 2023 article on [Pay Transparency and Equity Issues](#).

## MEET THE TEAM



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