July 22, 2024 Issue 14





Let's Talk Pay! Maryland Employers' Guide to Wage Range Transparency

Earlier this year, Maryland Governor Wes Moore signed **House Bill 649**, which concerns wage range (*i.e.*, the minimum or maximum wages for a given position) transparency and will take effect on October 1, 2024. These new pay transparency requirements join a growing trend of legislation—in Maryland and other states—aimed at promoting equity within the workplace.

This new law requires employers to disclose certain wage information in job postings, and prohibits employers from taking retaliatory action against applicants and employees for exercising their rights under the law.

How do employers determine the "Wage Range" for a position?

A "Wage Range" is defined as the minimum and maximum hourly rate or salary for a position set in good faith by refence to (1) an applicable pay scale, (2) a previously determined rate/salary, (3) the rate/salary of an individual with a comparable position at the time of posting, or (4) the budgeted amount for the position.

Which employers are impacted by the new law?

The law applies to all employers, including "persons" who act directly or indirectly in the interest of an employer. While the law governs all employers in the state, its mandated disclosures are limited to those positions that will be physically performed at least in part in Maryland.

Employers' Obligations:

- Employers must disclose in any job posting (either public or internal) the wage range, a general description of benefits, and any other compensation offered for the position
- If, for any reason, the posting with this information is not made available to the applicant, the employer must divulge the above information before a discussion of compensation is had, and at any time on request of the applicant
- Employers must keep a record of compliance with this law for at least three years after the position was filled or initially advertised
- The Commissioner of Labor and Industry will develop a form that may be used to comply with these requirements
- Employers cannot retaliate against or refuse to hire, interview, or employ an applicant for failing to provide their wage history or requesting the position's wage range in accordance with the law
- Similarly, an employer may not refuse to promote or transfer an employee for these actions

What's Next?

Employers should work with counsel to draft policies and procedures that will ensure that all job postings made, both publicly and internally, comply with Maryland's general transparency requirements.

Please reach out to our employment attorneys.

Steve Metzger

Brandon Wharton

Sydney Fortmann

Firm News

Gallagher Attorney David Sommer Serves as President of Maryland Bankruptcy Bar Association

^{*}This client alert is for informational purposes and is not legal advice. View previous issues of Monday Minute.



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