

Cleveland, Ohio, Joins National Trend In Passing New Pay Transparency Law

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On April 28, 2025, the Cleveland City Council passed Ordinance No. 104-2025, thereby adding Cleveland to the growing list of states and major cities that have passed new laws for increasing pay equity and closing the wage gap. The Ordinance is effective October 27, 2025.

Job Postings

Employers are covered if they have 15 or more employees and at least one employee working within Cleveland's city limits. The Ordinance also applies to job placement and referral agencies that work for such employers. Covered employers must include the salary range or scale in all notifications, advertisements, or other formal posting for a job. "Salary" is broadly defined to include wages, commissions, hourly earnings, and other monetary earnings and benefits. However, the Ordinance does not specifically define "salary range or scale."

It is currently unclear how the Ordinance applies to employers that primarily operate outside of Cleveland but that post remote jobs that could be performed within the city limits. The City Council or the Cleveland Fair Employment Wage Board (FEWB) may issue guidance on this before the effective date.

Salary History

The Ordinance also restricts inquiries into applicants' salary histories. In this regard, the Ordinance makes it unlawful for employers to: (1) inquire about applicants' salary histories; (2) screen applicants based on salary histories; (3) rely solely on salary histories to make hiring decisions or set salaries for hired applicants; and (4) refuse to hire or otherwise retaliate against applicants who do not disclose their salary histories.

"Inquire" is broadly defined to mean communicating any direct or indirect statement, question, prompting or other communication, orally or in writing, personally or through an agent, to gather information from or about an applicant, or conducting a search of

publicly available records or reports for the purpose of gathering information from or about an applicant. An applicant's "salary history" does not include objective measures of an applicant's productivity such as revenue, sales, or other production reports.

Exceptions

The above prohibitions do not apply to:

1. Actions taken pursuant to any federal, state, or local law that specifically authorizes the reliance on salary history to determine an employee's compensation;
2. Applicants for internal transfer or promotion with their current employer;
3. A voluntary and unprompted disclosure of salary history information by an applicant;
4. Any attempt by an employer to verify an applicant's disclosure of non-salary related information or conduct a background check (but if the applicant's salary history is disclosed, it cannot be solely relied upon for determining the applicant's salary);
5. Applicants who are re-hired by the employer;
6. Employee positions for which the salary is determined pursuant to collective bargaining; and
7. Federal, state, and local governmental employers, other than the city.

Penalties

Penalties for non-compliance include: a \$1,000 fine for a first offense within five years after a complaint is submitted to the FEWB; a \$2,500 fine for a second offense within five years; and \$5,000 fines for each offense after the second offense within five years.

Employers should review their current procedures for job postings and salary inquiries to ensure they are legally compliant. Contact your Vorys lawyer with questions regarding Cleveland's Ordinance and similar pay transparency requirements in other jurisdictions.