

Minnesota Employers: Prepare for New Pay Transparency Requirements

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The Minnesota legislature continues to expand protections for job applicants. In 2023, Minnesota enacted legislation that **prohibits employers from inquiring into an applicants' pay history** during the hiring process. Now, most employers will be required to disclose salary ranges in their job postings. The pay transparency law will take effect January 1, 2025.

Who must comply with the pay transparency requirements?

The pay transparency requirements apply to any person or entity that employs 30 or more employees at one or more sites in Minnesota.

What must be included in job postings?

Covered employers must disclose in each posting for each job opening the starting salary range, and a general description of all benefits available and other compensation to be offered to a hired applicant. This could include health insurance, retirement options, bonuses, or other financial perks that come with the position.

“Salary range” means the minimum and maximum annual salary or hourly range of compensation for a job opportunity at the time of the posting of an advertisement for that job opportunity. Salary ranges can be based on the employer’s good faith estimate, but must not be open-ended. An employer that does not plan to offer a salary range for a position must list the fixed pay rate.

What is a “posting”?

A job posting means anything intended to recruit job applicants for a specific available position. This could include recruiting done directly by the employer or indirectly through a third party. It includes postings made electronically or via printed hard copy.

Takeaways for Employers

States continue to enact pay transparency (job posting) requirements. For example, Maryland's pay transparency law **takes effect in October 2024**. Minnesota employers should review their current pay rates, hiring practices, and job postings in anticipation of the January 1, 2025, effective date. Contact your Vorys lawyer with questions regarding Minnesota's pay transparency requirements or similar requirements in other jurisdictions.