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CLIENT ALERT: New York City Pay Transparency Law Now in Effect

On November 1, 2022, the New York City Pay Transparency Law (the "Law"), requiring covered employers to provide wage disclosures in hiring, went into effect. All covered employers should take immediate action, if they have not already, to ensure any applicable job postings or advertisements comply with the Law.

As described in the May 11, 2022, Morgan Brown & Joy Client Alert, the Law requires covered employers to disclose either a set rate of pay or a minimum and maximum salary range in all job postings and hiring advertisements. Covered employers are those with four (4) or more employees, including at least one employee working in New York City. In other words, the Law is not limited to businesses located within New York City, nor must all employees work in New York City.

Per the New York City Commission on Human Rights ("NYCCHR") fact sheet, published on May 12, 2022, covered employers must disclose the required salary information when advertising for any position that "can or will be performed, in whole or in part, in New York City, whether from an office, in the field, or remotely from the employee's home."

Covered employers who have not already amended their job postings and advertisements should act swiftly. The Law allows employers to cure any first violation within thirty (30) days of receiving NYCCHR's notice of the violation – essentially allowing an employer to avoid a penalty for a first offense, as long as the employer remedies any non-compliance within the specified period. For subsequent violations, however, an employer faces penalties. While the law does not specify a penalty amount the NYCCHR has authority to fine employers up to \$250,000 per violation.

The Law is part of an emerging group of pay transparency laws. For example, California's pay transparency law goes into effect on January 1, 2023, while in Colorado, the pay transparency provisions of its Equal Pay for Equal Work Act went into effect on January 1, 2021. Further laws may still be on the horizon: the New York State legislature passed a similar pay transparency bill in June of 2022, which is now under review for the Governor's signature.

Employers with questions about coverage, compliance, or any other employment law issues should contact Morgan Brown & Joy as soon as possible. Our attorneys are ready and able to assist your business in navigating the complex and ever-changing world of employment law.

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