



The Implications of Pay Transparency Laws for Employers in the Automotive Industry

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There continues to be a growing trend of salary transparency laws aimed at promoting pay equity in the workplace. Although these laws generally apply to all private businesses, there are important considerations for employers in the automotive industry.

In the past couple years, several states have passed legislation that requires employers to disclose salary ranges in job postings and/or to applicants or current employees for open positions. For example, Colorado, Connecticut, Maryland, and Nevada each have a salary transparency law that has specific requirements employers must follow concerning the disclosure of salary information, along with similar laws in other states.

The growing trend continues into 2023. Beginning January 1, California employers must include a pay scale or salary range on their job postings. Additionally, California employers must give their current employees and applicants a pay scale for their position upon request. There are additional states, such as Washington and Rhode Island, with similar laws taking effect next year.

In June 2022, New York passed a salary transparency bill that requires employers to disclose the range of compensation in any advertisement for a job, promotion, or transfer opportunity. Therefore, in addition to new job postings, automotive employers in New York who frequently promote or permit employees to transfer departments will have to disclose the salary range for each promotion or transfer opportunity. The bill is currently awaiting Governor Kathy Hochul's signature and is expected to take effect in 2023.

Importantly, the law expressly applies to any jobs that *can or will* be performed, at least in part, in the state of New York. For example, in the automotive industry, in addition to disclosing the salary ranges for employees who work at the New York site, the employer may also be required to disclose salary ranges for employees who could

work remotely, such as sales, marketing, finance, or other administrative personnel.

Employers must also pay attention to local salary transparency laws. For example, Cincinnati, Ohio's salary transparency ordinance prohibits employers from asking about or relying on the prior salary history of prospective employees in setting starting pay. The ordinance also requires employers to provide a pay scale to an applicant who has received a conditional offer of employment upon request.

In summary, as we expect the number of salary transparency laws to continue to increase, employers in the automotive industry should monitor legal developments in their footprints. Even if there is not a law in the employer's state or city, employers may still need to post a salary range if they are hiring for a remote position.

Of course, the disclosure of salary information to applicants and employees may increase the number of pay discrimination lawsuits. Employers should conduct regular privileged pay audits to evaluate salary discrepancies and adjust compensation as necessary, as well as check compliance with salary transparency laws with the assistance of legal counsel.

For more information, contact an attorney with Frost Brown Todd's [Mobility](#) industry team.

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