

Massachusetts Enacts New Pay Transparency Legislation

Labor & Employment Workforce Watch

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On July 31, 2024, Governor Maura Healy signed into law [H.4890](#), creating pay transparency and data reporting requirements for qualified Massachusetts employers. With this move, Massachusetts joins a growing line of states, including California, New York, Washington State, and Colorado in expanding employers' pay equity obligations. Read a [prior Locke Lord publication](#) on these types of laws.

The new Massachusetts law, called [An Act Relative to Salary Range Transparency](#), imposes pay range posting and expanded EEO reporting obligations on covered employees.

Pay Range Posting Requirements

Starting on July 31, 2025, Massachusetts employers with 25 or more employees will be required to disclose “the annual salary range or hourly wage range that the covered employer reasonably and in good faith expects to pay” on job postings. Covered job postings encompass not only internal listings, but also apply to indirect recruitment through third parties. The law does not require disclosures to include other forms of compensation like bonuses or benefits.

In addition, employers must disclose the pay range for an existing position at the request of an employee or job applicant.

Expanded EEO Reporting Requirements

Starting on February 1, 2025, employers with 100 or more employees will be subject to additional equal employment opportunity (EEO) reporting obligations. Namely, covered employers will have to submit an annual “aggregate wage data report” summarizing demographic wage data by race, ethnicity, sex, and job category. Unions, governments, and schools must submit wage reports every other year.

The Commonwealth will publish the aggregate reports on the Massachusetts Department of Labor website.

Enforcement

Failure to comply with the new requirements could result in escalating penalties – a warning for a first violation, \$500 for a second violation, and \$1,000 for a third violation. Notably, there is no private right of action in the event of an alleged violation of this new law.

Covered employers may not “discharge or in any other manner retaliate or discriminate against any employee or applicant” for exercising rights under the new law, which includes taking action to enforce a right or making a complaint.

Next Steps

In preparation for the law to take effect, Massachusetts employers should ensure they are prepared by taking key steps, including:

- Re-evaluating salary ranges for both new and existing job postings to determine whether any modifications in compensation are needed.
- Creating policies and procedures ensuring that pay ranges are included in job postings moving forward.
- Implementing training for managers and human resources employees regarding key requirements of the act, including the anti-discrimination and retaliation provisions.
- Implementing training for individuals in charge of EEO reporting to ensure compliance with the new demographic reporting requirements.
- For employees operating in multiple states, evaluating their pay transparency obligations and procedures in each state to ensure efficient and accurate reporting.
- Remaining vigilant of pay transparency legislation in other states, as a growing number of states are enacting similar legislation every year.

Employers may wish to consult with counsel for guidance on implementing these procedures and complying with the new requirements.

Locke Lord will continue to monitor pay transparency and similar laws impacting employers in Massachusetts and across the country.

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