

Publications

Delaware Employers: Prepare for New Pay Transparency Requirements

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CLIENT ALERT | 10.14.2025

Delaware recently enacted a pay transparency law requiring employers to include a pay range and general description of benefits in all job postings. This is Delaware's first significant step to expand pay-related protections for job applicants since the state's 2017 ban on salary inquiries. Now, most Delaware employers will be required to disclose pay ranges and include a general description of benefits in their job postings. The pay transparency law will take effect in September 2027.

Who must comply with the pay transparency requirements?

The pay transparency requirements apply broadly to any individual or legal entity which employs 26 or more employees. The law is not clear whether the number of employees includes only those employed in Delaware, or if it also counts those employed outside the state.

The pay transparency requirements apply to any jobs located in Delaware, as well as non-international remote positions offered by employers based in Delaware.

For jobs covered by a collective bargaining agreement, the posting requirement applies only after the collective bargaining agreement is executed, amended, modified, renewed, or replaced after the law becomes effective.

What must covered employers do to comply?

Covered employers must disclose in their postings for new jobs both the hourly or salary compensation range and a general description of benefits or other compensation for the position. This could include health insurance, retirement plans, bonuses, or other financial perks that come with the position.

"Hourly or salary compensation range" means the minimum to maximum pay range for the position. This range must be the employer's good faith estimate, but should be based on an applicable pay scale, the previously determined range for the position, the actual



range of others holding equivalent positions, or the amount budgeted for the position.

These requirements apply any time an employer announces, posts, or otherwise makes known a job opportunity. If the posting has not been made available to the job applicant, the employer must provide an hourly or salary compensation range and general description of benefits or other compensation upon the applicant's request.

In addition, employers must preserve records of job descriptions and the salary and wage rate history for each employee for at least three years. Employers must provide these records to the Delaware Department of Labor upon request.

What are the penalties for failure to comply?

Employers are prohibited from retaliating or discriminating against applicants for exercising their rights under the law, which includes making a complaint to the Delaware Department of Labor.

There is, however, no private right of action. Instead, the Delaware Department of Labor may punish covered employers who violate these requirements with a warning for a first violation, and a fine between \$500 and \$10,000 for subsequent violations. There can only be one violation per job opportunity, regardless of the number of times the job opportunity is posted.

Takeaways for Employers

Employers doing business in Delaware should review their current pay rates, hiring practices, promotion practices, and postings in anticipation of the September 26, 2027 effective date.

States continue to enact pay transparency (job posting) requirements. For example, Illinois, Massachusetts, Minnesota, New Jersey, and Vermont all had pay transparency laws take effect in 2025. Vorys lawyers will continue to monitor Delaware's pay transparency requirements and similar requirements in other jurisdictions.