

Publications

Vermont Employers: Prepare for New Pay Transparency Requirements

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CLIENT ALERT | 7.2.2024

Vermont is the newest state to join the pay transparency wave. Effective July 1, 2025, employers will be required to include the compensation or range of compensation in any advertisement of a Vermont job opening. The pay transparency requirements apply to any individual, organization, or governmental entity doing business in Vermont that employs five or more employees.

What must employers do?

For any advertisement of a Vermont job opening, employers must include the compensation or range of compensation for the job opening. An advertisement for a job opening that is paid on a tipped basis must disclose that fact in the advertisement and the base wage or range of base wages for the job.

A “range” means the minimum and maximum compensation or base wage that the employer expects in good faith for the advertised job at the time the employer creates the advertisement. Employers may hire someone for more or less than the range contained in an advertisement based on circumstances outside of the employer’s control, like an applicant’s qualifications or labor market factors.

What is an “advertisement”?

An advertisement is any written notice of a specific job opening that is made available to potential applicants. It does not include: (1) general announcements to notify potential applicants that an employment opportunity may exist without reference to a specific job opening; or (2) verbal announcements of job opportunities.

An advertisement for a job opening that is paid on a commission basis must disclose that fact, but employers are not required to disclose the compensation or range of compensation for that position.

Takeaways

The law requires the Vermont Attorney General's Office to publish guidance for employers and employees regarding the law by January 1, 2025. Employers should be on the lookout for guidance on the Attorney General's website.

Vermont now joins states like Minnesota and Maryland that have enacted pay transparency laws this year. Employers should review their advertisement and hiring practices to ensure they comply with the various state transparency laws. Contact your Vorys lawyer with questions regarding pay transparency requirements in jurisdictions in which you operate.