



Pay Transparency in the Green Mountain State: Vermont Adopts New Pay Equity Law

Insights

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Vermont will soon join nine other states across the country which require employers to disclose compensation in job postings. Governor Phil Scott signed the bill into law yesterday and it will take effect on July 1, 2025 — which means employers should start preparing for new obligations. Here's what employers in Vermont and across New England need to know about the new law.

Employers' Wage Disclosure Obligations

Under [H.704](#), Vermont employers with five or more employees will be required to disclose the compensation or compensation range for a particular position beginning on July 1, 2025.

However, there are some exceptions to this general compensation disclosure requirement:

- An advertisement for a job opening that is paid on a **commission basis**, whether wholly or in part, should disclose this fact but is not required to disclose the compensation or range for the position.
- An advertisement for a job opening that is paid on a **tipped basis** should disclose this fact and provide the base wage or range of base wage for the position.

Importantly, the new law does not prohibit an employer from hiring an employee for more or less than the range of compensation contained in a job advertisement based on circumstances outside of the employer's control, such as an applicant's qualifications or labor market factors.

Employers will also be prohibited from discriminating or retaliating against an employee or applicant who exercises their rights under this law.

Next Steps

Since Vermont is not the first state to enact this type of law, many employers are already familiar with requirements like these. Nevertheless, you should continue to monitor [Fisher Phillips' Pay Equity Interactive Map](#) to track similar laws across the country and the obligations under each, which may vary.

You should also consider reaching out to your Fisher Phillips attorney to conduct a pay equity audit to ensure compliance with the new pay equity laws popping up around the country. Working with an attorney on an audit also preserves the attorney-client privilege, which may foreclose certain information from being discoverable in litigation.

Conclusion

We will continue to monitor developments in Vermont and throughout the country on pay transparency and pay data reporting. Make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have questions about the proposed legislation, please contact your Fisher Phillips attorney, the authors of this Insight, any member of our [Pay Equity Practice Group](#), or any attorney in our [Boston office](#).

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