



Pay Transparency Coming to Massachusetts in 2025: What Employers Need to Know + 5 Key Points to Consider

Insights

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Massachusetts employers must prepare for new pay transparency and data reporting requirements rolling out in 2025. The new rules will not only require most large employers to file a wage data report with the Commonwealth starting in February but will also require all employers with at least 25 employees to disclose wage range information on job postings and upon request to employees and applicants beginning October 29. These obligations will significantly impact employers and require you to navigate new challenges and potential employee unrest as previously opaque wage information becomes more accessible. We'll explain what you need to know and provide five key points for you to consider before the rules take effect.

Quick Background

Gov. Maura Healy signed [legislation](#) on July 31 that amends the Massachusetts Equal Pay Act (MEPA) to add requirements that will take effect in 2025, including new data reporting obligations (effective February 1) and new pay transparency rules (effective October 29). These requirements are discussed further below, and you can find more information about MEPA [here](#).

Data Reporting

Beginning February 1, most employers with 100 or more employees in the Commonwealth must annually file an equal employment opportunity ("EEO") report that contains workforce demographic and pay data categorized by race, ethnicity, sex, and job category. Private employers can fulfill this requirement by submitting a completed federal EEO-1 Employer Report with the state secretary. Note that wage data submissions will not be considered "public records," meaning individual employer data should not be subject to information requests, nor otherwise made available to the public. However, the secretary of labor and workforce development will publish "aggregate wage and workforce data" on its website by July of each year.

Pay Transparency

Beginning October 29, Massachusetts employers with 25 or more employees in the Commonwealth will be required to:

- include the pay range for a position on all job postings;

- disclose the pay range for a position to existing employees who receive a promotion or a transfer to a new position with different responsibilities; and
- provide pay range information for a particular position to an employee who holds the position or to an applicant upon receipt of a request.

The law defines “pay range” as the annual salary range or hourly wage range that the employer reasonably and in good faith expects to pay for the position at the time of posting or request. Unlike many other states with similar laws, the Massachusetts law will **not** require disclosure of bonus, commission, benefits, or equity grant information.

Notably, the law does not expressly address how the “25 or more employees in the Commonwealth” threshold should be calculated. For example, it does not specify whether hybrid or remote employees should be included in that headcount. Guidance on this issue may be forthcoming, as the law requires the attorney general’s office to conduct a “public awareness campaign” on these new requirements.

5 Key Considerations for Massachusetts Employers

With the law going into effect soon, employers should ensure they understand its requirements and are prepared to comply. Here are a few key points for you to consider:

- **Proactive Pay Equity Audits.** Any notable pay discrepancies should be fixed before the law takes effect. Importantly, employers with significant discrepancies in wages may face discrimination suits if they do not act to remedy the discrepancies prior to the publication of wages. Accordingly, you should strongly consider, in consultation with their employment counsel, conducting a privileged pay equity audit to identify and redress problematic pay discrepancies before they go public.
- **Employee Relations and Recruitment Efforts.** You should consider the impact posting pay ranges will have on internal employee relations as well as recruitment efforts. For example, although posting a pay range that is relatively low may have the effect of limiting employee unrest as employees may be less likely to request higher salaries, it may also make it more difficult to recruit top talent. On the other hand, a relatively high wage range posting may have the opposite effect.
- **First-Year Compliance Cushion.** Employers do have some cushion in terms of compliance efforts and any related hiccups. During the first year the law is enforceable, employers can cure any job posting violations within 48 hours to avoid penalties.
- **Consequences for Noncompliance.** Employers are otherwise subject to **warnings** for first-offense failures to post job ranges. The attorney general may then fine offenders **\$500** for second offenses, **\$1,000** for third offenses, and up to **\$25,000** for fourth and subsequent offenses. The law defines an offense as “1 or more job postings for positions made by the same employer during a 48-hour period.” Accordingly, an employer who fails to post required wage ranges on,

say, a dozen job postings would be liable for only one offense if all of those postings were published within a single 48-hour timeframe. This may often end up being the case for larger employers regularly posting for multiple job openings.

- **Retaliation Prohibited.** Finally, the law contains anti-retaliation provisions to ensure employers do not terminate, discriminate against, or otherwise act against any individual for seeking pay range information. Employees who believe they have been retaliated against have a private right of action, meaning they can file suit against the company.

Conclusion

Massachusetts employers should be on the lookout for further guidance, which the attorney general's office is expected to provide on its website by April 29, 2025. We will monitor all developments related to this new law, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information. If you have questions about the law, 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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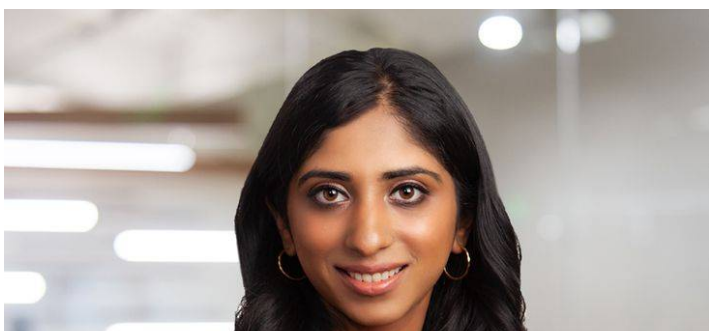


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