

Alert | Labor & Employment



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New Year, New Rules: Illinois Mandates Pay Transparency Requirements in 2025

Go-To Guide

- Starting Jan. 1, 2025, employers with 15 or more employees must include pay and benefits information in job postings for Illinois-related positions.
- Employers must maintain records of pay scale and benefit information for each position, as well as job postings (if made), for five years.
- Violations may result in fines ranging from \$500 to \$10,000, with opportunities to cure for first and second offenses.

New pay transparency requirements in Illinois take effect Jan. 1, 2025. Employers will be required to include in any job posting for covered roles the corresponding wage or salary range and a description of the benefits and other compensation the position offers.

The Illinois Department of Labor (IDOL) recently published nonbinding [guidance](#) in the form of FAQs that address many questions left open by the amendments to the Illinois Equal Pay Act of 2003 ([HB3129](#)). Gov. Pritzker signed the amendments on Aug. 11, 2023, adding additional obligations for Illinois employers beyond the state equal pay registration certificate that many already must file.

Illinois joins numerous states taking steps to address pay disparity concerns, including California, Colorado, Maryland and Washington, D.C., Massachusetts (effective Feb. 1, 2025), Minnesota (effective Jan. 1, 2025), New Jersey (effective June 1, 2025) New York, Vermont (effective July 1, 2025), and Washington.

Job Posting Requirements

The amendments apply to any employer with 15 or more employees nationwide that publishes a job posting on or after Jan. 1, 2025. Such employers must include pay scale and benefits in any job posting for a position that will be (1) “physically performed, at least in part, in Illinois” or (2) physically performed outside of Illinois but that reports to a “supervisor, office, or other work site in Illinois.” IDOL guidance counsels that “[a] position performed outside Illinois, and not somehow supervised in Illinois, will not become subject to the pay transparency requirement due to the position’s occasional, intermittent, or sporadic visits to or contact with Illinois for work.”

The amendments define “pay scale and benefits” as “the wage or salary, or the wage or salary range, and a general description of the benefits and other compensation,” including bonuses, stock options, and other incentives. The wage or salary must be set according to an “applicable pay scale, the previously determined range for the position, the actual range of others currently holding equivalent positions, or the budgeted amount for the position, as applicable.” IDOL indicated that it plans to provide more guidance and examples in the coming months.

Employers may comply with the benefit inclusion requirement by posting “a relevant and up to date general benefits description in an easily accessible, central, and public location on an employer’s website” and referring to this description in the job posting. Employers also may elect to include in the job posting a hyperlink to a publicly viewable webpage that includes the pay scale and benefits.

The amendments clarify that employers are not required to publish a job posting for any position, and IDOL guidance notes that employers are permitted to “recruit or promote a specific candidate for employment without posting the job opportunity.”

But for any job, promotion, transfer, or employment opportunity that has not been posted, the employer or employment agency “shall disclose” the pay scale and benefits offered for the position upon the applicant’s request or prior to “any offer or discussion of compensation” with an applicant. For positions that an employer elects to post externally, the employer must inform all current employees of opportunities for promotion no later than 14 calendar days after posting. IDOL guidance clarifies that “[i]nternal-only job opportunities that are not published externally do not trigger the promotional opportunity requirement.”

Employers and employment agencies may discuss wage or salary expectations with applicants.

Recordkeeping Requirements

Under the amendments, employers must maintain the following records for five years:

1. The pay scale and benefit information for each position, and
2. The job posting for each position, if applicable.

Liability for Third Parties

Employers that engage third parties to make job postings must provide the third party with the pay scale and benefits (or a link to a publicly viewable webpage that includes pay scale and benefits) for the position. In turn, the third party must include that information in the posting. A third party is liable under the statute for failing to include the required information unless it can show the employer failed to provide it.

Penalties and Enforcement

There is no private cause of action under the amendments for violating the Act although, as noted below, penalties are available. Instead, IDOL can investigate alleged violations after receiving a complaint from an aggrieved employee or applicant, or at the agency's election. Complaints must be filed within one year of the date of the alleged violation.

If IDOL finds a violation has occurred, the agency must notify the employer and provide an opportunity to cure. The applicable penalties and cure opportunity change as the number of violations increases.

For job postings active when IDOL issues a notice of violation:

- First offense: 14-day cure period and fine up to \$500
- Second offense: 7-day cure period and fine up to \$2,500
- Third and every subsequent offense: no cure period and fine up to \$10,000

If IDOL determines that an employer has committed a third offense, the employer will be subject to a five-year period during which subsequent violations “shall incur automatic penalties without a cure period.” Each further violation restarts the five-year period. After five years without a violation, any future violation is construed as a first offense.

For job postings not active when IDOL issues a notice of the violation, the agency may assess the employer fines up to \$250, \$2,500, and \$10,000 for a first, second, and third violation, respectively. Any subsequent offense related to an inactive job posting within a five-year period of the third offense will trigger automatic penalties of up to \$10,000.

Practical Considerations

Before the Jan. 1, 2025, effective date, covered employers, employers who anticipate hiring employees in Illinois, or employers who employ supervisors in Illinois should consider taking the following steps:

- Evaluate and document the pay scale and benefits for all covered positions in Illinois: where individuals (i) currently work, even “in part,” in Illinois, or (ii) report to a supervisor, office, or other worksite in Illinois.
- Assess all existing job postings and templates to ensure they include the required information.
- Train all personnel involved with hiring and managing employees, including supervisors, managers, human resources and legal professionals, and compliance personnel, on the new requirements and implications, such as appropriate communications with job applicants and employees.
- Conduct a privileged internal pay equity audit either for Illinois positions or a broader review of current pay. Working with outside legal counsel maximizes confidentiality and preserves attorney-

client privilege of an audit, which may foreclose certain information from being discoverable in litigation.

- Monitor for further guidance from IDOL, especially related to benefits inclusion in job postings.

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