

VERMONT

Vermont Enacts Pay Transparency Law

Provided to you by **Employco USA, Inc.**

On June 4, 2024, Vermont enacted [H.704](#), a law mandating pay transparency in job advertisements. The law takes effect on **July 1, 2025**, and applies to all Vermont employers with five or more employees.

Pay Transparency Requirements

The new law requires covered employers to disclose the compensation or compensation range in any internal or external job advertisement for a position that is either physically located in Vermont or performed remotely for an office or work location that is physically located in Vermont. The requirement applies regardless of whether the position is advertised to internal or external candidates and to positions to which a current employee may be promoted or transferred. Under the law:

- A **compensation range** is the minimum and maximum annual salary or hourly wage for a job opening that the employer expects in good faith to pay for the position at the time the advertisement is created; and
- A **job advertisement** is a written notice, in any format, of a specific job opening that is available to potential applicants (job advertisements do not include general announcements that do not identify specific opportunities or verbal announcements).

Prohibition on Retaliation

Employers are prohibited from refusing to interview, hire, promote or employ a current or prospective employee for asserting their rights under the law.

Exceptions

The law provides a few exceptions, including:

- For positions that are paid on a **commission** basis, the employer must disclose that fact but does not need to disclose the compensation or compensation range; and
- For positions that are paid on a **tipped** basis, the employer must disclose that fact and provide the base wage or the range of the base wage.

Important Dates

June 4, 2024

Vermont passed a new law requiring employers to include compensation information in job advertisements.

July 1, 2025

Vermont's new pay transparency law takes effect.

Beginning July 1, 2025, Vermont employers will need to include compensation information in job advertisements.

Moreover, the law does not prevent an employer from hiring an employee for more or less than the posted compensation range based on circumstances outside the employer's control, such as an applicant's qualifications or labor market factors.

Next Steps for Employers

Although the new law does not take effect until next year, employers can ensure they will be in compliance by the effective date by taking steps now, such as establishing a methodology for determining compensation ranges, reviewing and updating job postings, conducting a pay audit to identify and remedy any pay disparities, and ensuring the appropriate parties (such as HR and recruiting personnel) are trained on the requirement to including compensation information in job advertisements. Additionally, the law requires that the Vermont attorney general publish guidance by **Jan. 1, 2025**, for employers' compliance with the new law, so employers should monitor for such supplemental guidance.