



News & Types: Employment, Labor & Benefits Update

# New Illinois Pay Transparency Law Took Effect January 1, 2025

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Practices: Employment, Labor & Benefits

Under recent amendments to the Illinois Equal Pay Act, employers with 15 or more employees must now include in any internal or external job posting the wage or salary range and a description of the benefits the position offers. On November 22, 2024, the Illinois Department of Labor (“IDOL”) published its Equal Pay Act Pay Transparency FAQ, bringing some clarity about the practical implications of and how the IDOL intends to enforce the new law. Some key takeaways for employers include:

- Basis for Pay Scale Disclosure
  - The wage or salary may be set according to a current budgeted amount for the position, the previously determined range, or the actual range of others holding equivalent positions.
- The 15-Employee Threshold is Not Restricted to Illinois
  - All full-time and part-time employees *anywhere* in the U.S. count towards the 15-employee threshold.
- Definition of “Job Posting”
  - The new pay transparency requirements apply to any type of notification or publication *for a specific position or job title* (i.e., a general “Help Wanted” sign or post is not covered because a specific employment opportunity is not identified).
- Remote Positions Are Not Considered
  - Employers outside Illinois posting for remote work that could be done anywhere must follow the new law *only if* the employer had a reason to know or reasonably foresee at the time of posting that: the role (i) will be physically performed, at least in part, in Illinois, or (ii) will report to or be supervised by an Illinois supervisor, work site, or management.
  - An out-of-state position with occasional, intermittent, or sporadic visits to or contact with Illinois for work are not subject to the pay transparency requirement.

If you have any questions about this article, please contact Naureen Amjad, Patrick M. Kelly or any other member of Masuda Funai’s Employment, Labor and Benefits Group.

*Masuda Funai is a full-service law firm with offices in Chicago, Detroit, Los Angeles, and Schaumburg.*