

The Salary Transparency Act (H.R.1599)

Background:

- Representative Eleanor Holmes Norton (D-DC) introduced H.R.1599, the “Salary Transparency Act,” on March 14, 2023.
- The bill has been referred to the House Committee on Education and the Workforce.
- To cosponsor, please contact Rep. Norton’s office.

Talking Points:

Salary Transparency is a tool to close the wage gap and combat bias:

- Despite the existence of federal and state equal pay laws, the gender wage gap persists and is especially harmful for women of color.
- The Salary Transparency Act will help close the wage gap, ensuring greater economic security for women and their families.
- Increasing pay transparency, by providing more public information about job pay ranges, is a critical component to closing the wage gap, particularly at the hiring stage. Research shows that when job applicants have more information about salary ranges that are already set for jobs, gender differences in negotiation outcomes diminish, helping to equalize opportunities for people of different genders at the bargaining table.
- Moreover, when employers must set pay ranges that are tied to the duties of a job, it helps reduce subjectivity and bias in the process of setting wages.
- The much narrower wage gap in the public sector, where governmental agencies typically have transparent and public pay structures, is further evidence that greater salary range transparency helps reduce wage disparities.

Posting salary ranges is good for business:

- Providing salary ranges for a position can help employers more efficiently and accurately match with candidates whose salary requirements are aligned with what they can offer.
- Research shows that pay transparency promotes employee loyalty and productivity and companies with strong pay equity policies tend to have less turnover, all of which is good for employers’ bottom line.

Provisions in the Bill

The Salary Transparency Act (H.R.1599) would advance pay transparency by requiring employers to:

- Include the applicable wage or wage range in both internal and public job postings;
- Disclose to applicants the wage or wage range for an employment opportunity prior to discussing compensation with the applicant and at any time upon their request;
- Disclose to existing employees the wage or wage range for their position upon hire, at least annually thereafter, and at any time upon the employee’s request.

The Salary Transparency Act would also prohibit retaliation against an employee or job applicant for exercising their rights under the bill.