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Illinois Pay Transparency Requirements Arrive



New pay transparency requirements took effect January 1, 2025, in Illinois.

Under amendments to the Illinois Equal Pay Act of 2003 (the Act), employers must now 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.

Illinois joins a growing list of jurisdictions with similar measures, including California, [Colorado](#), the District of Columbia, [Maryland](#), [Massachusetts](#) (effective February 1, 2025), [Minnesota](#), [New Jersey](#) (effective June 1, 2025) New York, [Vermont](#) (effective July 1, 2025), and [Washington](#).

Job Posting Requirements

The Illinois requirements apply to any employer with 15 or more employees *nationwide* that publishes a job posting (including promotion or transfer) on or after January 1, 2025. Such employers must include a 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.” Illinois Department of Labor (IDOL) guidance provides 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.” There are no exclusions for temporary positions or positions subject to a collective bargaining agreement.

“Pay scale and benefits” are defined 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.” A range may only be used for amounts the employer might, in good faith, pay for the

position being advertised.

Employers may comply with the “pay and benefits” disclosure requirement by providing the relevant information in the job posting or by including a hyperlink to a publicly viewable webpage that includes the pay and benefits information.

Importantly, 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.”

For any job, promotion, or transfer that has not been posted, however, the employer must 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.”

Recordkeeping

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.

Third Party Liability

Employers that use 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. The third party must include that information in the posting. A third party is liable for failing to include the required information unless it can show the employer failed to provide it.

Enforcement and Penalties

There is no private cause of action for violating the Act. Instead, IDOL can investigate alleged violations, including after receiving a complaint from an aggrieved employee or applicant. Complaints must be filed within one year of the date of the alleged violation.

If IDOL finds a violation, the employer receives an opportunity to cure the violation. The applicable penalties and cure opportunities change as the number of violations increases.

For job postings active when IDOL issues a notice of violation, the following cure periods and penalties apply:

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

Upon 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 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.

Advice and Practical Considerations

Employers who anticipate hiring employees in Illinois or who have supervisors in Illinois should consider taking the following steps:

- Assess and document the pay scale and benefits for all covered positions in Illinois where individuals (1) currently work, even “in part,” in Illinois, or (2) report to a supervisor, office, or other worksite in Illinois.
 - Review all existing job postings and templates to ensure they include the required information.
 - Ensure personnel involved with hiring and managing employees understand the new requirements and implications, such as appropriate communications with job applicants and employees.
 - Ensure any third parties involved in the recruitment or hiring process understand the new requirements.
 - 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.
 - Check back here for additional guidance as IDOL releases it.

Authors

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