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# Rhode Island Wage Transparency Laws Become Effective January 1, 2023

## **Background**

Amendments to <u>Rhode Island's Pay Equity Law</u> enacted significant changes to its wage discrimination laws and employer obligations. Rhode Island employers with one or more employees in the state effective January 1, 2023, will now need to provide a wage range for any position, including open jobs, upon request. Similarly, an employer should provide the salary range for the position the applicant is applying for **before** discussing compensation.

### **Summary**

The term "wage range" is stated as the range the employer anticipates paying for the position, including budgeted amounts. For current employees, the range can include applicable pay scales and what other employees in the same position have earned previously. A current employee may request the range for their position at any time during their employment. It should be noted that in the absence of a formal range request, employers must provide current employees with their salary range, at minimum,

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at the time of hire and when the employee moves into a new position.

#### **Non-Compliance Penalties**

Rhode Island has implemented severe penalties for non-compliance. Through June 30, 2026, employers will be granted an "affirmative defense" against claims if they demonstrate 1) they conducted a good faith wage audit within the two years preceding the commencement of a pay equity lawsuit and 2) corrected wage disparities discovered by the wage audit within 90 days of completion of the self-audit. The RI Department of Labor and Training has issued guidance and a pay equity spreadsheet for employers wishing to conduct such wage audits. Employers are encouraged to monitor the DLT website for a model notice to satisfy posting requirements.

## **Employer Next Steps**

- Employers should review all current job descriptions, postings, and prospective internal transfers to determine the reasonable salary range for an applicant or employee in each scenario
- Organizations should also consider the pay range for those currently in the roles as part of the process
- Conduct a voluntary pay equity audit and implement any appropriate adjustments in advance of the January 1st effective date of these laws
- If you would like information on how we can help create pay bands/wage scales, please <u>contact us</u>



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