

S.5598-B (Ramos) / A.6529-A (Joyner)

STAFF CONTACT : Frank Kerbein | Director, Center for Human Resources | 518.455.7180

BILL

S.5598-B (Ramos) /
A.6529-A (Joyner)

SUBJECT

Requires Employers to
Disclose Compensation or
Range of Compensation to
Applicants and Employees

DATE

May 04, 0222

OPPOSE

Businesses across the state recognize that pay equity is a real concern for certain protected classes. Business Council members are leaders in creating equitable pay structures across all industries. While this bill is intended to address the issue of pay inequity in the workplace, The Business Council, on behalf of its 3,200 members, opposes this bill as being unnecessary considering existing protections, excessively burdensome on employers – contributing to the state’s reputation as being “anti-business,” and as having consequences more likely to harm New York’s workers rather than help them.

This bill is unnecessary. There is currently a myriad of existing laws both at the state and federal level making discrimination in pay unlawful. In fact, New York State has the strongest protections in the nation against discrimination in pay. Recent prohibitions on pre-offer salary inquiries have only added to those already strong protections. Social and market pressures have also been successful in reducing pay inequities. While striving for the goal of total equity, the trend is already quickly advancing in that direction.

The legislation would be burdensome and costly to implement for employers. Some employers will be required to change their entire job structures, particularly for management positions. For example, organizations will no longer be able to use broad bands and generic job titles such as “director.” All employers will need to conduct extensive analyses of their existing titles and salaries to create specified ranges for each title that account for factors such as education and experience. For multi-state employers, customizing job descriptions for New York State is impractical.

Even for employers who are already implementing similar laws in Colorado or Connecticut, it is likely to be a bigger challenge in New York, where many have corporate headquarters and many more employees.

This bill will disadvantage many of the employees it purports to help.

Employers who currently face intense competition for workers – especially

highly specialized workers – will not recruit those workers from New York. Colorado has implemented a similar pay transparency law. Colorado workers find themselves excluded from opportunities because of this law. Having learned during the pandemic that many workers can work from anywhere, companies not wishing to disclose pay and benefits will simply locate these workers in other states.

Additionally, a salary range may not be useful for applicants. Employers do not always have a maximum for compensation. Also, where a job can be performed remotely from anywhere, the salary may depend on the person's location. A nationwide salary range would be so broad as to make the information meaningless.

As the sponsor is aware, New York City has adopted a pay transparency law to be effective November 1, 2022. For the state to adopt a law with significant differences from the City law will cause confusion amongst employers and employees and prove to be a significant administrative burden many employers may choose to avoid by setting up shop elsewhere.

This bill will contribute to the perception that New York State is unfriendly to business, harm New Yorkers who will be denied employment opportunities, and is impractical and burdensome to implement. For those reasons, The Business Council opposes this bill.