# Vermont Bans Inquiries into Job Applicants' Salary and Benefit History

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May 15, 2018

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Beginning July 1, 2018, employers in Vermont will be prohibited from requiring a prospective employee to disclose his or her salary and benefit history under legislation (<u>H.B. 294</u>) signed by Governor Phil Scott on May 11, 2018.

The new law also bars employers from seeking an applicant's salary history without his or her authorization.

#### **Prohibited Inquiries**

Under the new law (21 V.S.A. §495m), employers are prohibited from:

- Inquiring about or seeking information about a prospective employee's current or past compensation from the prospective employee or his or her current or former employer;
- 2. Requiring that a prospective employee's current or past compensation satisfy minimum or maximum criteria; or
- 3. Determining whether to interview a prospective employee based on his or her current or past compensation.

However, if a prospective employee *voluntarily discloses* information about his or her current or past compensation, an employer, after making an offer of employment with compensation to the prospective employee, may seek to confirm or request the prospective employee confirm that information.

#### Permitted Inquiries

Employers may inquire about a prospective employee's salary expectations or requirements or provide information about the wages, benefits, compensation, or salary offered with the position. "Compensation" includes wages, salary, bonuses, benefits, fringe benefits, and equity-based compensation.

#### Next Steps

Employers in Vermont will need to review and modify both their applications and hiring practices to comply with the new law before July 1. Moreover, employers should ensure key employees in the hiring process are educated about the new limitations.

State and local bans on pay history questions continue to be a growing trend in the fight against gender pay inequality. Vermont joins such states and localities as California, San Francisco, Delaware, Massachusetts, New Jersey, Oregon, Puerto Rico, and New York's Albany, New York City, and Westchester County that have adopted such laws. See our articles, <u>Massachusetts AG's Office Issues Guidance on Equal Pay Law Set to Take Effect in July, New Jersey Governor Signs Pay Equity Bill into Law, Oregon Enacts Expansive Pay Equity Law, Puerto Rico Enacts Equal Pay Law, Prohibits Employers from Inquiring about Past Salary History, and Localities and</u>

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#### the Salary History Ban: Next Stop, Westchester County, New York.

Please contact a Jackson Lewis attorney if you have any questions about the new law or similar statutes in other states or municipalities.

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