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# What Maryland's pay transparency law means for employers, applicants




Maryland has passed a pay transparency law.

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Employers promoting jobs in Maryland will need to include salary ranges in ads and postings starting later this year, and experts say the law will help job seekers at the negotiating table with little extra work for employers.

Gov. Wes Moore signed a wage transparency bill into law April 25 that will require employers to disclose pay ranges in job postings for positions that will be performed at least partially in Maryland. The legislation takes effect Oct. 1 and brings Maryland in line with several other states that passed similar measures to reduce gender and racial wage gaps.

“The biggest benefit here is leveling the playing field when it comes to negotiating a salary. Despite our unusual mix of industries, we still see these big wage gaps,” said Benjamin Orr, founder of the Maryland Center on Economic Policy.

In the second quarter, the average monthly earnings in Maryland were \$7,035 for men and \$4,994 for women, according to the [most recent data from the U.S. Census Bureau](#). For every dollar a white man makes in Maryland, here’s what other groups make, according to a [report from the state’s Department of Labor](#):

- Asian women: 86 cents
- White women: 79 cents
- Black women: 67 cents
- American Indian and Alaska Native women: 65 cents
- Hispanic women: 50 cents

The 50-cent gap for Hispanic women workers compared to white men is the fourth largest disparity nationwide, according to the report.

Orr said the new law will help those workers at the negotiating table, as they’ll feel more confident bargaining over pay when they know what their peers are making.

Joyce Smithey of Annapolis-based Smithey Law Group, a labor and employment law firm, agrees.

“If an applicant sees the top and bottom ranges [for a job’s salary], they can ask what puts a candidate at the higher range of the salary spread. It will help them quite a bit,” Smithey told the Baltimore Business Journal in an interview.

And, it can help companies attract better talent and save time. Applicants can submit for jobs that fit their salary needs, and employers will avoid extending job offers to candidates who were expecting higher pay.

For those in the talent search industry, the law’s goals are admirable but add more factors to the hiring equation. Johnny Black, managing partner of [Towson search and consulting firm Chesapeake Search Partners](#), says that it’s another “wrinkle” in an [unusual and competitive labor market](#).

“The landscape of salary expectations has been all over the place for the last 12,18, 24 months. We’ve had to manage those expectations already,” Black said.

The Covid-19 pandemic, [inflation](#), high interest rates and rising salary expectations in a [shrinking labor pool](#) make recruiting a difficult task. Smaller firms will now have to consider how their salaries stack up next to bigger employers on job boards.

“We’re already being asked to conduct a pretty wide range of calculations for salary ranges. This just adds to what people can and can’t ask in the employment market,” Black said.

The enforcement mechanism for the law is fine-based, with the Department of Labor levying fines on employers who don’t comply with the rule.

After a first offense, employers will receive a letter of warning. Second violations will carry a fine of up to \$300 per employee or applicant who the employer did not comply for, and third violations within three years of a previous offense will carry fines of up to \$600 per employee or applicant.

[Similar laws](#) have been enacted in Washington, D.C., Colorado, [New York](#), Washington, Hawaii, Illinois and California. The Massachusetts legislature passed a pay transparency bill, too.

Maryland already requires employers to disclose salary ranges during interviews if asked by candidates; now, they need to put that number into their job postings.

“Employers should have been thinking along these lines already,” Smithey said.