



**SMALL BUSINESS**  
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Come mid-September, New York employers with at least four employees will have to disclose salary ranges in job postings, which is already required in New York City.

These kinds of pay transparency laws that are spreading across the country are meant to close pay gaps.

But in New York City and other areas, pay ranges have spanned in some cases hundreds of thousands of dollars, which can make it tricky for employers and prospects alike to figure out how wide salary ranges should be.

"Employers are learning how to navigate pay transparency over time, as we see steadily increasing compliance rates," says Lisa Simon, senior economist at Manhattan-based Revelio Labs, a workforce intelligence company.

Revelio Labs collaborated with The Economist to release a report in January that looked at whether salary ranges in job postings in New York City, where the law took effect this past November, were actually informative.

The report found that overall 80% of job postings with salary ranges fell within a reasonable industrywide range. But considering employer compliance with the law in New York City averaged only around 58% in November and December, that translates to about 46% of all jobs posted by New York City employers included reasonable and useful salary ranges during that time period, according to Revelio.

The report cited some wide ranges like Netflix offering security operations managers in New York between \$165,000



Lisa Simon, senior economist at Manhattan-based Revelio Labs



New transparency laws are meant to close pay gaps, but implementing the rules will take some time.

# PAY TRANSPARENCY IS OFTEN IN SOFT FOCUS

Salary-range laws help, but many variables remain

and \$470,000. A Newsday search also found a Netflix program specialist (venue management operations) listing for New York with a range of \$50,000 to \$380,000.

A Netflix spokeswoman didn't return a call from Newsday to discuss salary ranges.

Still, while some ranges may seem wide, the law doesn't specify what the range has to be, says Dominique Camacho Moran, a partner at Farrell Fritz in Uniondale.

The employer just has to list the lowest and highest annual salary or hourly range the employer believes in "good faith" to be accurate at the time.

Moran says the Revelio report talks about reasonable and useful ranges, but that's not what the legal standard is,



Ted Turnasella, principal of Comp-unications in West Islip

she says. "It's in good faith of what the employer's willing to pay," she says.

And that could depend on a variety of factors including experience, knowledge, skills and demand, Moran says.

Ted Turnasella, principal of Comp-unications, a West Islip-based compensation specialist, agrees, noting "how valuable a particular person is to a company isn't just a matter of what the job is, but a matter of what specific talents they have and

how that fits into the organization's need."

It would be hard for the law to give a specific percentage that applied to every employer, but employers should be able to come up with a pay variability range for a job that is reasonable, he says.

"A salary range is meant to represent approximately the same level of job value for different jobs of equal responsibility," he says.

And generally speaking, jobs at the lower end of the pay scale typically have smaller pay variations than those at the higher end, Turnasella says.

To be proactive, employers should review what they pay the person with the most experience and the least experience and that will give them a "pretty good range," Moran says.

"Employers really need to analyze their own existing pay structure," says Joy Chin, a principal at Jackson Lewis based in the law firm's Melville office.

They also should look at mar-



Joy Chin, a principal at Jackson Lewis in the Melville office

ket data for the position, based on industry and location, and consider what other companies are offering for comparable roles, Chin says.

"The rules are well-intentioned, but it's the application and practical aspects that take longer to implement," she says.

Chin expects the New York State Department of Labor will provide further guidance, but is uncertain it will address any specific ranges since there are "too many variables" impacting pay depending upon the company and position.

Michael Weiner, managing attorney at Glaser & Weiner, P.C. in Melville, says sometimes laws are drafted with gray terminology "which results in enforcement being dealt with on a case-by-case basis."

It puts the onus on the employer to take steps to "take a look at the way they've historically structured their jobs and pay scales," he says.

If a complaint did arise employers are better able to defend their position when they can show they took proactive steps such as conducting an internal pay audit or hiring outside consultants, Weiner says.

The Department of Labor in a statement to Newsday stated it "will conduct a public awareness campaign to educate New Yorkers and employers statewide about the law, including how to file complaints" and will announce additional information closer to when the Sept. 17 law takes effect.

## FAST FACT

More than half of workers (53%) think pay transparency will eventually result in salary equity and smaller or no pay gaps, according to poll data released late last year by Monster.

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