

# Employment Law Alert: What You Need to Know About the Massachusetts Pay Transparency Act

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Effective October 29, 2025, Massachusetts employers will be required to disclose pay range information to employees and job applicants as part of the **Wage Transparency Act** (the "Act"). The stated purpose of the Act is to strengthen the Massachusetts economy and competitiveness by promoting transparency in job advertisements and postings.

The Massachusetts Office of the Attorney General has released **frequently asked questions** to help employers navigate the requirements of the Act. Below is a summary of that guidance:

Pursuant to the Act, all employers with "25 or more employees in Massachusetts" must disclose "pay ranges" in all job "postings." For these purposes:

## *Employee Threshold Calculation*

An employer is covered under the Act (a "Covered Employer") if it has at least 25 employees, whose primary place of work was in Massachusetts, during the prior calendar year (the "Employee Threshold"). For purposes of determining whether this Employee Threshold is triggered:

- Any person who performs services for an employer for wage, remuneration, or other compensation is an employee and must be included in the employers' headcount. This includes all full-time, part-time, seasonal, and temporary employees.
- An employee's primary place of work is considered the location where the employee performs the majority of his or her work. As such, an employee with a primary place of work in Massachusetts includes:
  - Any employee who performs services for an employer at a physical location in Massachusetts;
  - Any employee who telecommutes to a Massachusetts worksite, even if the employee is physically located in another state; and
  - Any employee who is physically located in Massachusetts, but telecommutes to an out-of-state worksite.
- Employers calculate their headcount once per year, as an average over all of the payroll periods of that year. Employers should do this by adding the number of employees, including full-time, part-time, seasonal, and temporary employees, on the payroll during each pay period of the year and dividing by the number of pay periods.

## *Posting Obligations*

Covered Employers must disclose the pay range in any job posting intended to recruit applicants for a specific employment position where the primary place of work is in Massachusetts (the “Posting Obligation”).

- The Position Obligation applies to the Covered Employer even if the job posting is completed by a third-party, such as a recruiter. As such, a recruiter’s non-compliance with the Act may result in liability for the Covered Employer.
- The Posting Obligation applies to all job postings that potentially target Massachusetts-based employees, including remote positions that are tied to a Massachusetts worksite, and remote positions in which the work might be performed by an individual physically located in Massachusetts.
- The Act defines “pay range” as the annual salary range or hourly wage range that the Covered Employer reasonably, and in good faith, expects to pay for such position at that time. If the position’s hourly or salary wage is based on a piece rate or commission, then the piece rate or commission range the employer reasonably expects to pay for the position must be included in the job posting. The Act does not require employers to disclose benefits or other compensation details in job postings.

Covered Employers are also required to provide the pay range for a position when an employee is offered a promotion or transfer to a new position with different job responsibilities, and when an employee or applicant makes a request for such information.

The Act prohibits Covered Employers from discharging, retaliating, or discriminating against employees (or applicants) for asking about pay range. The attorney general has exclusive jurisdiction to enforce the Act, and may seek injunctive or declaratory relief for violations of the Act.

In the event of a violation of the Act, an employer will first receive a warning; followed by a \$500 fine for a second offense; and a fine of not more than \$1000 for a third offense. Offenses consist of one or more job postings for positions made by an employer during a 48-hour period.

In addition to the Post Obligations, the Act requires that large employers, with more than 100 Massachusetts-based employees, submit certain wage and employee demographic data to the Secretary of the Commonwealth.

In light of the Act, Covered Employers should review and update job postings to ensure that they are in compliance and include information related to annual salary or hourly wage. Employers should also be prepared to discuss pay range information with employees and applicants upon their request.

Morse’s **Employment Law Team** has significant experience with all matters related to compliance with Wage and Hour laws. Please contact the authors of this alert if you have questions.