



e-Alert: Vermont Bans Salary History Inquiries

About the law

Beginning July 1, 2018, Vermont employers will be prohibited from requiring prospective employees to disclose their salary and benefit history. With its new law, Vermont joins the steadily growing number of cities and states across the country that are focusing on the gender pay equality initiative by barring such inquiries during the recruitment process.

By preventing companies from asking prospective employees how much they earned at their last jobs, these states will attempt to ensure that the historically lower wages and salaries assigned to women and minorities do not follow them for their entire careers, as companies tend to set salaries for new hires using their previous pay as a base line.

The new Vermont law also stipulates that employers must not require that a prospective employee's past compensation meet minimum or maximum criteria or choose which candidates to interview based on their pay history. For the purpose of the law, salary history includes base compensation, bonuses, benefits, and compensation in the form of company equity.

Permitted inquiries

If candidates disclose their salary history voluntarily, employers may confirm the information, but *only* after making an offer of employment that includes the compensation being offered with the position. Employers may ask a candidate about their salary expectations or requirements and tell the candidate the compensation being offered. "Compensation" includes wages, salary, bonuses, benefits, fringe benefits, and equity-based compensation.

Next steps for employers

1. Remove any questions surrounding pay history from your job applications and hiring process and ensure that any recruiters and background screening vendors you are working with have done the same.
2. Make sure your hiring managers and those involved in the interview process are trained to not ask questions about salary history.
3. Do not release salary information for your past employees without specific written authorization from the employee.
4. If you are one of our full-service clients, we will help you review your employment application and provide you with sample interview questions to ensure that you will be compliant with these new regulations.
5. If you have any questions about how this new law affects your business, please [contact us](#).

This content is provided with the understanding that HR Knowledge is not rendering legal advice. While every effort is made to provide current information, the law changes regularly and laws may vary depending on the state or municipality. The material is made available for informational purposes only and is not a substitute for legal advice or your professional judgment. You should review applicable laws in your jurisdiction and consult experienced counsel for legal advice. If you have any questions regarding this content, please contact HR Knowledge at 508.339.1300 or [email us](#).

