



e-Alert

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Rhode Island Provides Final Rule for Equal Pay and Wage Transparency Law

Background

Rhode Island amended the state's equal pay and transparency law in July 2021, with the amendments becoming effective January 1, 2023. On January 6, 2023, the state issued a clarifying final rule regarding the changes.

Summary

As amended, the state's equal pay and transparency law prohibits employers with more than one employee from paying an employee less than past or current employees that perform identical or comparable work on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, disability, age, or country of origin. The clarifying rule notes that compensation *unrelated* to the performance of work, such as referral bonuses and relocation bonuses, are not included when examining pay differentials as long as the wages are supplementary to the primary job function and not a cause for unlawful wage disparities. Other types of incentive compensation that must be included in the assessment of pay differentials include recruitment bonuses, hiring bonuses, sign-on bonuses, gifts, and holiday bonuses.

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Under the original law, RI employers are prohibited from inquiring about an applicant's current or prior salary. The new rule clarifies that if an employer has access to current salary information, such as when hiring an existing employee for a new position, an employer may not use the current salary information when setting the wage or salary for the new role.

In addition, RI employers are prohibited from retaliating against employees who request a wage range for their position, discuss their wage with others, or who file a complaint against an employer for failure to provide wage history or another violation of the law. The new regulations clarify that individuals who claim they have been retaliated against in violation of these provisions may file a complaint through the Department of Labor and Training. However, the new rule indicates the Department cannot issue fines for violations or complaints received prior to January 1, 2025.

Employer Next Steps

- Employers should review current practices and procedures to ensure compliance with the amendments and final rule of RI's Pay Equity Law.
- If you would like information on how we can help creating pay bands/wage scales, please **contact us**.
- If you are a Full-Service or Virtual HR client and would like our assistance with updating your policy, please **email us**.

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