



Navigating Pay Transparency in Ohio

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Today's Speaker



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Ahola Payroll & HR Solutions



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Agenda



Defining Pay Transparency



Compliance Considerations



Benefits of Pay Transparency



Challenges and Solutions



Implementing Pay Transparency

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What is Pay Transparency?

Pay transparency refers to **sharing information about pay** with applicants, employees, and possibly the public.

Some states and localities require that employers include a pay range with job postings or limit questions on pay history. Pay transparency can be taken much further. Employers that really want to commit to transparency will often share pay ranges for positions or job types with their entire organization or publicly.

- **Full Transparency**
 - Not very common
 - Pay and benefits information is shared for each position in the organization.
- **Partial Transparency**
 - Most common
 - Varying degrees

Per SHRM— When not required by law, 67% of HR professionals say their organization voluntarily lists start pay in their job postings sometimes, often, or always.

42% of HR professionals said their organization operates in a location that requires pay ranges to be included in job postings.

- SHRM



Equal Pay Act of 1963

- Employees working at the same establishment **may not be discriminated against by their employer** based on sex for jobs that require **substantially equal**
 - Skill
 - Effort
 - Responsibility
 - And that are performed under **similar** working conditions.
- Employers should base pay differentials on factors that are actually performed in the job.
- Although formal job titles may be considered, **job content is the primary factor** in assessing whether two jobs are substantially equal.



Title VII of the Civil Rights Act of 1964

- Title VII covers employers with 15 or more employees and **prohibits employment practices that discriminate based on sex, race, color, religion, or national origin.**
- Applies to all aspects of employment - hiring, firing, promotions, training, pay, and other terms and conditions of employment.
- Unlawful pay discrimination occurs when an employee is **paid less than employees of a different protected class** who is **similarly** situated.
 - Tasks
 - Skills
 - Effort
 - Responsibility
 - Working conditions
 - Complexity

Ohio Pay Equity

Employers may not discriminate in the amount or rate of wages based on an individual's race, color, religion, sex, age, national origin, or ancestry by paying them lower wages than another employee for equal work on a job that requires equal skill, effort, responsibility, and is performed under similar conditions.



Different pay rates can be based on:

- A seniority or merit system.
- A system that measures earnings by the quantity or quality of production.
- Wage rate differentials determined by any factor other than race, color, religion, sex, age, national origin, or ancestry.

Employers may not reduce the wages of any employee to comply with the equal pay law.

Ohio Rev. Code Ann. § 4111.17



Toledo Pay Transparency

Disclosure of Wages

Employers located in Toledo that have 15 or more employees in Toledo **must provide the pay scale for a position** when an applicant has made a reasonable request and received a conditional offer of employment.

Toledo Mun. Code § 768.02(c)

Salary History Ban

Employers are prohibited from:

- Inquiring about an applicant's salary history;
- Screening applicants based on their salary history;
- Relying on an applicant's salary history when deciding whether to hire the applicant or when determining the applicant's salary; or
- Retaliating against an applicant for not disclosing their salary history.

Employers are **allowed to discuss the applicant's salary expectations** without inquiring about their salary history.

Toledo Mun. Code §§ 768.01 – 768.05



Cincinnati Pay Transparency

Disclosure of Wages

Employers located in Cincinnati that have 15 or more employees in Cincinnati **must provide the pay scale for a position** when an applicant has made a reasonable request and received a conditional offer of employment. *Cincinnati Mun. Code § 804-03(c)*

Salary History Ban

Employers are prohibited from:

- Inquiring about an applicant's salary history;
- Screening applicants based on their salary history;
- Relying on an applicant's salary history when deciding whether to hire the applicant or when determining the applicant's salary; or
- Retaliating against an applicant for not disclosing their salary history.

These provisions do not apply to an **applicant's voluntary and unprompted salary history disclosure**, nor do they prohibit an employer from discussing an applicant's salary expectations.

Cincinnati Mun. Code §§ 804-01 – 804-09



Columbus Pay Transparency

Salary History Ban

Effective March 1, 2024, **employers with 15 or more employees within the city of Columbus** are prohibited from:

- Inquiring about the salary history of a job applicant;
- Screening job applicants based on their current or prior wages, benefits, or other compensation;
- Relying solely on the salary history of an applicant in deciding whether to offer employment or in determining salary, benefits, or other compensation; and
- Refusing to hire or otherwise retaliate against an applicant for not disclosing salary history.

These prohibitions do not bar an employer from **discussing with an applicant their expectations** regarding salary, benefits, and other compensation.

Columbus Code § 2335



Cleveland Pay Transparency

Salary History Ban

Effective October 27, 2025, **employers with 15 or more employees in Cleveland** are prohibited from:

- Requesting or requiring that job applicants provide their pay history;
- Screening job applicants based on their pay history or require that their past compensation meet certain minimums or maximums, and;
- Relying solely on the salary history of an applicant in deciding whether to offer employment or in determining salary. There are some exceptions such as internal candidates, candidates who voluntarily disclose their salary history, and where law authorizes employers to rely on pay history.

Pay Range Postings

Employers need to include pay ranges (that must be a reasonable estimate of what the employer expects to pay) in job notifications, advertisements, and other formal posting both within and outside of Cleveland for potential employment in Cleveland.

Applicant Pool

Increases the number of applicants.

Candidate Selection

Discourages people who wouldn't accept the salary offer from ever applying.

Compliance

Encourages compliance with equal pay laws.

Internal Impact

Reduces pay paranoia while enabling employees to see what they can look forward to.

Pay Gaps

Promotes pay equity and helps identify and reduce pay gaps.

Reputation & Trust

Builds trust with employees and candidates.

Benefits of Pay Transparency

While being transparent about pay may feel uncomfortable, and may not go smoothly at first, it does have advantages.

“82% of US workers are more likely to consider applying to a job if the pay range is listed in the job opening...”

-SHRM, 2023

Pay Transparency

Challenges

The fear that wage transparency will hurt recruiting when candidates see what other companies are offering.

Employees who discover their compensation is lower than peers may be upset. This can have negative impacts on the work environment.

Compliance concerns – employers that are not aware of pay transparency laws in the states/cities in which they are recruiting.

Companies that are cited or fined for non-compliance could be creating trust and reputation issues.

Solutions

Highlight other benefits and things you offer – remote work, flex time, unique benefits.

Help employees understand the factors that influence salary decisions. If your pay decisions are based on legitimate factors, they should be much easier to explain to employees.

Be sure to do your research in any state you are posting your jobs – while some states may only cite you, others can issue fines.

Post realistic ranges, stay up to date on the law, get ahead of the issue as a whole.

Implementing Pay Transparency



Pay Gap Audit

Conduct internal audits to identify any pay gaps and look for any inconsistencies.
Understand the current state of your wages – review job bands and grading.
Review your jobs to understand the true differences between them.



Salary Decision Process

Create a process/policy for ensuring salary decisions are made on equal, objective criteria – not opinion.



Employee Communication

Open and transparent communication with employees about salary ranges, how compensation decisions are made, etc.
Create feedback channels for employees to comment or ask questions.
Encourage open discussion.



Leadership Involvement

Involve executives and managers in driving change. Many employees feel more comfortable talking to their managers than HR.
This level of the organization should understand how compensation decisions are made and be able to hold conversations about this topic with their employees.



Technology

Use technology to help!
Utilize external benchmarking and compensation management software.



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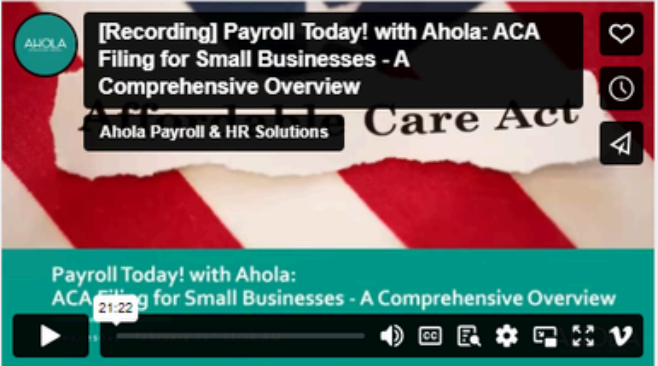
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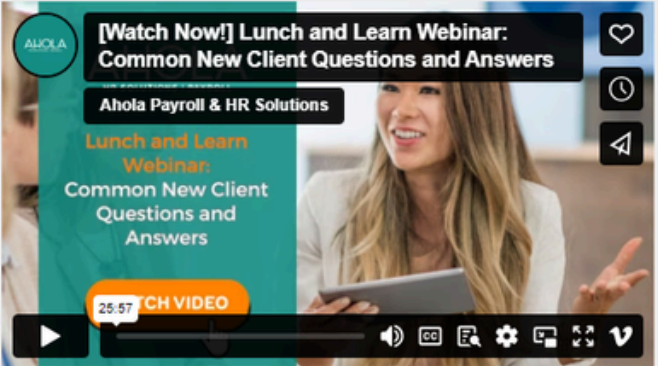
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Thursday, February 15, 2024

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Whether you're just starting your Ahola partnership or exploring its possibilities, we believe this recording will provide you with the knowledge and insights needed to make the most of your Ahola partnership.



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Q & A



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