

# Pay Transparency Policy



Pay transparency has become the hottest thing in new HR lawmaking. Even if not currently required in your jurisdiction, following pay transparency may soon become a legal obligation for your company. It's also a best practice. Here's a template pay transparency policy that you can adapt for your own circumstances. Go to the HR Insider site for a [pay transparency compliance game plan](#).

## **PAY TRANSPARENCY POLICY**

### **1. STATEMENT OF POLICY**

ABC Company is committed to maintaining fair, equitable, and transparent compensation practices. The purpose of this Policy is to explain the general principles and guidelines that ABC Company will implement to translate these pay transparency principles into HR operations and ensure compliance with applicable pay transparency legal requirements.

### **2. SCOPE**

This Policy applies to all ABC Company employees, managers, recruiters, and individuals involved in hiring and compensation decisions.

### **3. DEFINITIONS**

For purposes of this Policy:

**"Pay"** includes:

- Salary, wages, or commissions that are paid or payable by an employer to an employee for labour or services.
- Money paid or payable by an employer to an employee as an incentive in relation to hours of work, production, or efficiency.
- Money paid or payable by an employer to an employee at the employer's discretion not in relation to hours of work, production, or efficiency.

**"Publicly advertised job posting"** means an external job posting that ABC Company or a person acting on its behalf advertises to the general public *[add the following language if you're in Ontario]*:

- A general recruitment campaign that doesn't advertise a specific position.
- A general help wanted sign that doesn't advertise a specific position.

- A posting for a position that's restricted to existing ABC Company employees.
- A posting for a position for which work is to be: (i) performed outside Ontario, or (ii) performed outside Ontario and in Ontario and the work performed outside Ontario isn't a continuation of work performed in Ontario.

#### **4. COMPENSATION DECISIONS**

Hiring managers must, as part of the recruitment process and before listing a publicly advertised job position, identify the pay range that will be offered to the applicant hired for the position and collect information to include in the summary of other compensation. Compensation decisions must be based on legitimate business factors, including job responsibilities, qualifications, experience, performance, market conditions, and internal equity considerations.

#### **5. SALARY INFORMATION IN PUBLICLY ADVERTISED JOB POSTINGS**

ABC Company will list the expected pay amount or pay range for a job position in an advertisement for a publicly advertised job posting for that position *[add the following language if you're in Ontario]* except where the posting is for a position that has expected wages equivalent to more than \$200,000 annually or a wage range with a high end of \$200,000 annually or more. Pay ranges listed in publicly advertised job posting must not exceed \$50,000 in total. For example, the highest possible pay that can be listed on a publicly advertised job posting with a bottom range pay of \$50,000 would be \$100,000.

#### **6. ARTIFICIAL INTELLIGENCE USE DISCLOSURE (ONTARIO ONLY)**

When using artificial intelligence to screen, assess, or select applicants for a position, the publicly advertised job posting for that position must include a statement disclosing the Company's use of artificial intelligence.

#### **7. BAN ON SEEKING JOB APPLICANT PAY HISTORY**

Hiring managers, recruiters, HR personnel, and others involved in the hiring and recruiting process may not ask job applicants about their pay history or seek any information about a job applicant's pay history, either personally or through an agent or third party, unless that pay history information is publicly available. The above rule does not prohibit:

- Job applicants from disclosing their pay history information voluntarily and without being prompted to do so; or
- ABC Company or an agent from seeking information about the ranges of pay or aggregate pay provided for positions comparable to the position for which the applicant is applying.

If a job applicant does make a voluntary disclosure of pay history information or ABC Company or an agent does obtain information aggregate pay or pay ranges for comparable positions, it is permissible to consider or rely on that information in determining the job applicant's pay.

#### **8. NONREPRISAL**

It is strictly forbidden for ABC Company or any of its managers, supervisors, employees, or other agents to intimidate, dismiss, suspend, demote, discipline, harass, or otherwise penalize or disadvantage employees, or threaten employees with such actions, in reprisal for:

- Disclosing their pay to or discussing their pay with other employees *[add if*

*you're in BC or Newfoundland]* or job applicants.

- Asking questions about their pay or ABC Company pay policies.
- Giving information about ABC Company's compliance or non-compliance with pay transparency requirements to government officials involved in enforcing those requirements.
- Requesting that ABC Company comply with pay transparency laws.
- Seeking access to ABC Company annual pay transparency reports.

Employees who feel that they have been subject to retaliation banned by this Policy should report this to the ABC Company HR Department.

## **9. ANNUAL PAY TRANSPARENCY REPORTING**

Where required by law, ABC Company will compile pay transparency data to create an annual pay transparency report in the format and listing all of the information required by the applicable regulations and submit the annual report to the appropriate government agency by the deadline stipulated in the pay transparency laws. ABC Company will also post such annual pay transparency report on its corporate website and ensure that it is made accessible to employees in accordance with the requirements set out in the regulations.