



Salary Disclosure

Overview

When lawmakers propose new requirements for businesses, we typically evaluate the policy based on the cost and resources to comply with a new requirement. Take for example, the law passed in 2022 that requires employers to provide a salary range and description of benefits in job postings. This type of requirement has relatively low costs to implement.

However, lawmakers also need to be aware of the cost of enforcement for businesses when they adopt new requirements. This relatively harmless new requirement for businesses has become catastrophic for some because the policy contains a private right of action.

Each year, we've seen a significant increase in proposals that have new requirements for businesses and include a private right of action for enforcement. This allows law firms to set up shop in Washington and target businesses, particularly small businesses who can make honest mistakes or overlook new requirements, as has occurred with the salary disclosure law.

A [Seattle Times investigation](#) pointed out one law firm has been behind about three dozen such lawsuits. A significant number of those businesses are in the hospitality sector. This policy disproportionately impacts us because the hospitality industry employs hundreds of thousands of individuals in Washington state.

Resource for members: *Are your job postings compliant with the state's salary disclosure requirements? Be sure to check out the [webinar replay and slide deck](#) from allied member and employment law attorney Catharine Morisset, which has helpful information to reduce your risk of litigation.*

The Government Affairs team introduced two bills last year to allow for a 10 day "right to cure" before a lawsuit can be filed, and provided clearer definitions so that businesses could reasonably comply with the law and

avoid frivolous lawsuits. However, due to heavy opposition from the trial attorneys neither bill received so much as a hearing. Since last year, the situation has only continued.

This year, Sen. Curtis King has introduced [Senate Bill 5408](#), which provides a 10-day right to cure before a lawsuit can be filed, similar to proposals last year.

Talking Points

- Since the law passed in 2022, hundreds of lawsuits have been filed that with half a BILLION in settlement potential for these businesses
- Despite settlement potential of hundreds of millions of dollars, workers have received a fraction of the settlements, as low as one half of one percent!
- If the goal of laws passed by the Legislature is compliance, we only need to look at this law to know private right of action is an ineffective way to drive compliance – new lawsuits are filed every month.
- Providing the opportunity for businesses to correct a mistake is *reasonable*, especially when facing a potential penalty in the MILLIONS

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