



New York Is About to Force a Lot of Insurer Salary Data Into the Open

By Aaron Smith February 4, 2022

Life insurers are among the New York City businesses that are bracing themselves, because soon their job ads will need to include how much they're willing to pay candidates.

A law passed Jan. 15 by the New York City Council requires salary ranges to appear in job postings starting May 15.

All companies with at least four employees are affected. Many insurers and related businesses could be caught up in the new rule, from life insurer giants based in the city like **MetLife** to online agencies like **Haven Life**. Even companies that are headquartered in another state, like **Prudential Financial**, have an office in the city of 8.5 million people, the financial center for the country.

The immediate challenge for New York City employers is to figure out how to comply, **Robin Samuel**, a labor and employment lawyer at **Baker McKenzie** in Los Angeles, said in an email. There are some issues with the law, he noted.

The bill's wording makes it "an unlawful discriminatory practice to not include in job listings the minimum and maximum salary offered for any position located within New York City. But it doesn't define words like "salary" or "advertise."

It also fails to clarify how employers should post non-salary compensation like bonuses and commissions, he said. Salaries don't always tell the whole story for some jobs, especially executive positions that might include stock options and other forms of compensation.

The law also says the range included in the advertisement "would extend from the lowest salary to the highest salary that the employer in good faith believes it would pay" for the job.

Similar Mandates

Katherine Brustowicz, an employment lawyer at the New York firm **Wagner Law Group**, said it's also not clear whether the requirement will apply to New York-based employers who are hiring for remote positions.

Still, she described it as an excellent step towards ensuring pay equity between men and women and combating discriminatory pay practices. “In that sense, it may decrease employer liability for certain claims,” she said in an email.

The New York City law is similar to mandates in several states. Colorado, Nevada, Connecticut and Rhode Island already require companies to publicize the salary ranges when they advertise job openings.

“We haven’t seen an uproar of backlash from those employers,” said Brustowicz.

Other large life insurers headquartered in New York that would be affected include **New York Life**, **American International Group** and **Guardian Life**.

New York’s ordinance is taking effect amid low unemployment, as the U.S. rate dropped to 3.9% in December 2021, from 4.2% in November. It’s the lowest jobless rate since the pandemic started. The labor market is tight, and there are reports of employers paying higher wages to attract recruits.

With inflation still high, and with hiring more difficult, businesses might be reticent about putting a salary range to a given position.

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“The reality is when they post a job, they might not know how much they’re going to pay,” **Alan Johnson**, managing director and founder of **Johnson Associates**, a compensation consulting firm for recruiters in New York City, said in an interview. “They haven’t seen any candidates yet.”

Also, life insurer would not be just revealing salaries to job hunters. They’re also giving that information to competing carriers, who could use that information to compete for talent.

What Happens Next

The law also introduces complications for carriers and other companies with operations in multiple states.

“If you’re a national employer and you’re going to be in 26 states around the country, it’s a big hassle,” Johnson said. “I don’t think it’s a huge positive to do it, but the train has left the station.”

Wagner Law’s Brustowicz thinks the requirement does have benefits though, as it could help level the playing field between recruiter and job hunter.

Companies often ask applicants to provide salary expectations, allowing recruiters to weed out applicants who want more than they are willing to pay, before they manage to land an interview. The applicants might get rejected for asking for too much money without ever knowing why.

But if applicants know the salary range from the beginning, they can decide whether to pursue the job, instead of finding out, several interviews too late, that the salary was significantly less than what they expected.

“Job applicants will not waste an employer’s time in unnecessarily vetting applications and conducting interviews if the offered salary is not within the job seekers’ expectations or needs,” said Brustowicz. “And similarly, employers won’t waste the time of prospective applicants.”

New York City companies should prepare for the impending law by auditing the pay of their employees, said **Keith Wilkes**, a labor and employment lawyer in Tulsa, Okla. In this way, he said they can become aware of disparities, and then decide if they are “justified by non-discriminatory” differences.

Businesses should be aware that existing employees will review job openings and compare the salaries to their own, he added.

While New York employers might balk at the implications of salary transparency, the new requirements might be inevitable.

“Companies may complain about the loss of ability to negotiate more freely, but pay transparency laws are a growing trend,” Wilkes said.

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