



### Testimony in Opposition to:

**HB 5387:** AAC Disclosure of Wage Ranges and Benefits on Public and Internal Job Advertisements

Labor and Public Employees Committee

3.3.26

Good afternoon, Senator Kushner, Representative Sanchez, Senator Sampson, Representative Weir, and members of the Labor and Public Employees Committee. My name is Paul Amarone, and I'm a Senior Policy Director for Job Growth and Manufacturing at the Connecticut Business and Industry Association, the state's largest business organization representing thousands of member companies.

I'm testifying today **in opposition to HB 5387:** AAC Disclosure of Wage Ranges and Benefits on Public and Internal Job Advertisements.

HB 5387 expands wage transparency requirements by mandating that employers disclose the salary range and a general description of benefits in all public and internal job postings and provide that same information to applicants *before* any compensation discussions. It also requires employers to *annually* provide current employees with the salary range and a description of benefits for their position. The bill strengthens the definition of wage range by requiring it to be set in "good faith" and broadens anti-retaliation protections for applicants and employees. HB 5387 also significantly increases employer liability by allowing statutory damages of \$1,000–\$10,000, punitive damages, attorney fees, and a two-year window to bring claims.

While we share the goal of promoting fairness and transparency in the workplace, the expanded mandates, administrative burdens, and significant litigation exposure created by this bill go well beyond reasonable transparency measures and will impose substantial costs and risks on Connecticut employers.

#### **Mandatory Ranges and Benefits:**

While wage transparency is already addressed under current law, this proposal expands those requirements in a rigid and inflexible way. In practice, many employers post positions for pipeline building, future growth, or evolving roles where compensation may depend on qualifications, experience, geographic considerations, or internal equity factors. Mandating fixed wage ranges in *every posting* reduces necessary flexibility in a dynamic labor market. It may also discourage multi-tier hiring depending on applicant qualifications and lead to compressed wage ranges that distort internal compensation structures.

Additionally, *requiring* a "general description of benefits" in every posting creates ambiguity and risk. Benefits packages are often complex, subject to change, and dependent on employment classification. Employers could face liability over disputes about whether a benefit description was sufficiently detailed or updated.



### **Pre-Employment Disclosure Mandate:**

HB 5387 requires employers to provide wage range and benefit information *before* any discussion of compensation occurs, rather than at the offer stage or upon request. This shift significantly alters hiring dynamics. Recruiting often begins with exploratory conversations to determine whether there is mutual interest before discussing compensation, detailed job descriptions, and overall benefits. Requiring disclosure *before* any compensation discussion formalizes early-stage conversations and may stall preliminary discussions between employers and applicants. It also introduces ambiguity about what constitutes a “discussion of compensation,” creating compliance uncertainty and litigation risk. Employers attempting to comply in good faith may still face claims based on technical interpretations of when a discussion occurred.

### **Additional Annual Reporting and Disclosure Requirements:**

HB 5387 implements a new annual requirement that employers provide every employee with the current wage range and benefit description for their position. This recurring mandate will create substantial administrative burdens, particularly for small and mid-sized employers without dedicated HR compliance departments and tracking software. Compensation structures evolve throughout the year due to market pressures, promotions, reorganizations, and business conditions. Requiring annual formal disclosures increases paperwork obligations without clear evidence that it improves wage equity outcomes. It may also generate confusion or dissatisfaction if employees interpret wage ranges as entitlements rather than performance-based outcomes.

For employers with hundreds or thousands of employees, this becomes a significant compliance project each year, diverting resources from job creation, training, and overall wage growth.

### **Additional Litigation and Damages Exposure:**

One of the most concerning aspects of HB 5387 is the broadly worded expansion of employer liability. The bill authorizes statutory damages of \$1,000 to \$10,000, punitive damages, attorney fees, and equitable relief. It also provides a two-year statute of limitations and a private right of action.

This combination creates powerful incentives for litigation over technical or procedural violations, even where no actual harm occurred. Minor discrepancies in wage range wording, inadvertent omissions in postings, or disputes over benefit descriptions could expose employers to costly lawsuits and punitive damages.

For small businesses in particular, the risk of litigation can be devastating, regardless of the outcome of the claim. The threat of statutory and punitive damages encourages opportunistic litigation rather than collaborative compliance.

### **Out of State Compliance Complexity:**



HB 5387 also applies to positions performed outside of Connecticut if the employee reports to a Connecticut-based supervisor. This extraterritorial reach creates compliance complexity for employers operating across state lines. Businesses would need to evaluate which positions fall under Connecticut law even when the work is performed elsewhere, potentially creating conflicting obligations with other states' laws.

Such regulatory overreach may deter multi-state employers from expanding operations in Connecticut or from locating supervisory functions within the state.

**Workforce Flexibility:**

While intended to promote fairness, the effect of these mandates may reduce flexibility in compensation planning. Employers may narrow wage ranges to limit liability exposure, reduce individual pay increase considerations, or become more conservative in creating new positions. This could ultimately harm workers by slowing hiring and limiting advancement opportunities.

Connecticut already faces well-documented challenges related to business competitiveness and job growth. Adding new compliance layers, recurring administrative requirements, and enhanced litigation further increases the cost of operating in the state.

We support the principle of pay equity and transparency. However, HB 5387 goes far beyond reasonable disclosure requirements and instead creates rigid mandates, recurring administrative burdens, and significant legal risks that will disproportionately impact small and mid-sized employers.

We respectfully urge the committee to take no action on HB 5387.

Thank you for your time and consideration.

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