

# Gender pay likely to stay in the spotlight

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The BBC found itself in a media storm last month, following the publication of salaries paid to its highest-earning stars, which revealed that only one-third of its 96 top earners were women, and the top seven were all men. Since then, staff at the Financial Times have threatened to strike over the paper's reported 13% per cent gender pay gap.

It's an issue that is likely to keep on drawing attention, now that larger employers are obliged to publish their gender pay gap information. The [Equality Act 2010 \(Gender Pay Gap Information\) Regulations](#) came into force on 6 April and some organisations are already publishing their results.

The Regulations apply to all private and voluntary sector organisations with 250 or more employees, who must publish details annually of their gender pay gap, for both basic pay and any bonus payments, with first reporting due no later than 4 April 2018. The information must be published electronically on their own website (which must be retained online for three years) and on a dedicated [government space](#).

Similar provisions apply for public sector organisations by way of the [Equality Act 2010 \(Specific Duties and Public Authorities\) Regulations 2017](#) although this note focuses on gender pay gap reporting for large private and voluntary sector organisations.

The aim is to measure differences between the average pay of men and women in an organisation, not just whether men and women are receiving equal pay for equal work. The figures will show the distribution of men and women at different levels across the organisation, highlighting whether an organisation is promoting or appointing women into more senior roles, or whether men are dominating the higher-paid jobs. If so, then the

organisation will have a gender pay gap, even if men and women are paid equal pay for equal jobs.

Although this will provide greater transparency, it will not provide the sort of detail published by the BBC, which was required to publish the names and salaries of its high earners under its new [Royal Charter](#), to demonstrate its stewardship of public money.

However, implementing the new [Regulations](#) is likely to be resource-hungry, with internal systems needing to be configured to generate the figures, and organisations may find themselves wanting to provide a more detailed analysis if they feel the headline information does not give the full picture - for example, by breaking down the overall pay gap figure by part-time working or geographical location. There is the option to include a narrative explaining any pay gaps or other disparities, and set out what action, if any, the organisation plans to take to address them.

Employment lawyer, Karen Cole, commented:

*"There's a legal requirement for organisations to publish this information, but it's their corporate reputation that is likely to take a hit if their pay gap proves to be on the wrong side of the national average of 18.1%<sup>1</sup> which was the figure for all employees in 2016.*

*It's worth getting the information together now, rather than waiting for the deadline, as that will allow time to review the current position, look at underlying causes and put steps in place to address any issues. [ACAS Guidance](#) recommends implementing an action plan that aims to reduce the gender pay gap in the workplace. The key will be ensuring that actions are implemented, monitored and evaluated."*

Figures must be calculated using the 'snapshot date' which is 5 April for businesses and charities and the data published within a year of the snapshot date, meaning the deadline to publish the first year's data is 5 April 2018.

Karen added:

*"If a significant pay gap is revealed by a company, the other concern is that they could find employees challenging why their pay is different from that of colleagues of a different gender. If the difference cannot be justified, there could be grounds to bring a claim for equal pay or sex discrimination."*

The data to be published is:

- **mean gender pay gap in hourly pay**
- **median gender pay gap in hourly pay**
- **mean bonus gender pay gap**
- **median bonus gender pay gap**
- **proportion of males and females receiving a bonus payment**
- **proportion of males and females in each of four pay bands (quartiles)**

The accuracy of the data must be confirmed in a written statement signed by an 'appropriate person' in a senior position, such as a director or partner. It would be sensible to identify the senior individual now and ensure that person is familiar with the [Regulations](#).

<sup>1</sup> Per [Government Equalities Office](#)

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Note: This is not legal advice; it is intended to provide information of general interest about current legal issues.

