

# Equality takes centre stage for employers

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The #TimesUp campaign has captured headlines with its push for greater diversity and equality in Hollywood and the entertainment sector, but these shifting attitudes are mirrored in legislative changes in the UK which will affect employers in the coming months.

In a series of developments, companies are expected to demonstrate an increasing commitment to an equal, inclusive and supportive workplace and are being encouraged to take steps towards the scheduled and anticipated changes, which will demand a shift in both process and culture.

Last year saw the introduction of **Gender pay gap reporting**. [Under the Equality Act 2010 \(Gender Pay Gap Information\) Regulations](#), all private sector organisations with more than 250 employees must publish details of their gender pay gap, for both basic pay and any bonus payments. The first reporting had to be submitted by 4 April last year, with a requirement on organisations to provide updated information annually in future, meaning deadlines for the second round of reports are fast approaching.

Alongside, the Government is moving to require reporting for both executive level and ethnic pay gaps, both of which will require data capture in good time to meet future reporting requirements.

First will be the requirements on **Executive pay gap reporting**, with rules now in force that require UK quoted companies with more than 250 employees to set out the ratio of the CEO's pay and benefits compared with that of employees. It applies to financial years commencing on or after 1 January 2019, and the first reporting will be due in 2020. As well as the reporting submission, the

information must be included in future directors' remuneration reports.

Hard on its heels is the prospect of mandatory **Ethnic pay gap reporting**, which is likely to pose many challenges for data collection, depending on the final requirements established. The issue was put out for consultation, and while it is expected by many commentators to be confined to organisations with over 250 employees, in line with other pay gap reporting, there have been calls to include smaller organisations of 50+ employees.

The consultation has explored which employers should be involved, the ethnicity pay data to be reported and what supporting information employers may be asked to provide, such as an action plan to tackle any identified bias. But whatever the final requirements, they are expected to be challenging to implement. Employment lawyer, Karen Cole, said:

*"The consultation has looked at the challenges of collecting, analysing and reporting ethnicity pay information if it is to be meaningful. One of the problems is that there is no legal obligation for employers to collect information on ethnicity and even where they try to do so, an individual can choose not to disclose their ethnic group."*

Furthermore, organisations are likely to find themselves having to explain how they are supporting parents and other carers in their workforce, with the Government exploring the possibility of a new law requiring employers with more than 250 employees to publish details of their family-friendly policies.

One such policy is for bereaved parents. The new **Parental Bereavement Leave and Pay Act** will give all employed parents the right to take two weeks off work if

they lose a child under the age of 18 or suffer a stillbirth from 24 weeks of pregnancy. The entitlement will have no minimum service requirement and the parent will have 56 weeks from their child's death to take the leave. Those parents who have been in continuous employment for 26 weeks with their employer will be able to claim pay for the leave. For more information see our [article](#) from December.

Karen added:

*"While the new right is not expected to come into force until April 2020, employers will need to start preparing now, and may wish to consider introducing their own bereavement leave policy, if they don't already have one, particularly with the focus on demonstrating good practice that we are seeing.*

*Last year's Oscar winner Frances McDormand captured headlines with her calls for an 'inclusion rider' in movie contracts, so as to achieve certain diversity and inclusion thresholds in future, but we are seeing a significant shift in attitudes across the sectors. Certainly, for employers in the UK, there are increasingly tough requirements to act responsibly and inclusively.*

*And while employers do not have any obligation to provide any narrative around their gender pay gap, or to do more than fulfil their legal requirements, being open and up front with explanations and future plans may help to limit any reputational damage as comparisons will be made and progress expected, in this and all other aspects of equality."*

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

