



Taking action on gender pay

A practical toolkit for gender pay gap reporting

As equality in society moves up the political agenda, employers are under increasing pressure to act.

With the gap between earnings for men and women showing little sign of narrowing, the government has announced plans to “end the gender pay gap in a generation” by requiring British employers in the private and voluntary sectors, with at least 250 UK based employees, to publish details of their gender pay gap. It is anticipated that the first gender pay reports will have to be published no later than 4 April 2018, based on pay data collected on 5 April 2017. The public sector is not immune, with changes to the existing equality duty also underway.

Why do employers need to act now?

The gender pay gap reporting duty is complex, containing both mathematical equations and legal definitions, some of which are unhelpfully ambiguous in the legislation. This complexity, together with the large data analysis involved (which includes bonuses being paid now in the twelve months leading up to April 2017), means that organisations should not delay their preparations.

Risks and rewards

Brand values, corporate reputations, goodwill, share prices and, importantly, the ability to recruit and retain key talent are all at risk if businesses do not take this seriously. Furthermore, organisations failing to engage with gender pay gap reporting risk losing work, reflecting increasing demands for gender equality data as part of tendering processes.

Investors, customers, employees and civil society are more likely to respond positively to those employers showing genuine engagement in gender pay gap reporting. Conversely, experience from other corporate reporting duties show that they may react negatively, including via media and online campaigns, where companies do not.

Gender pay gaps \neq equal pay gaps

A gender pay gap is not the same as an equal pay gap. The gender pay gap shows the distribution of women across a company's workforce, for example, it may reveal female concentration in lower-paid administrative roles and male concentration in higher paid management positions. In contrast, an equal pay gap reveals 'like for like' differences in the rates of pay between men and women in the same or equivalent jobs.

Is there a risk of equal pay claims?

While gender pay gaps and equal pay gaps are not the same, there is clear potential for one to affect the other. The recent spike in public sector equal pay claims was spurred by the introduction of new pay and grading systems, which drew attention to historical gender pay anomalies including unequal bonus arrangements.

There is a risk that gender pay gap reporting, particularly where significant differences are reported, could similarly focus attention on pay differentials and possibly lead to equal pay claims. This broader implication of gender pay gap reporting should be considered as part of your risk assessment planning.

Relevant experience

We have been at the forefront of equal and gender pay developments for many years and have the experience and track record of helping organisations navigate through the complex and reputationally sensitive area. Recent examples include:

- assisting a national retailer to carry out an equal pay audit in preparation for the gender pay gap reporting obligations and advising on potential hotspots
- calculating gender pay gaps and undertaking an equal pay audit for a large utility company
- advising a national food manufacturer on its pay and benefits structure and its potential exposure to claims in relation to any differentials between its sites
- holding bespoke workshops for clients to explore gender pay risk areas and develop action plans
- advising on a pay risk analysis project for a UK plc
- assisting a financial institution in relation to pay audits and pay protection proposals



How we can help

With the advice and practical support of our specialist legal advisors and consultants, employers can conduct a comprehensive risk assessment, data analysis and root cause diagnosis and produce a practical action plan to prepare to report the results externally. Our services are also subject to legal professional privilege, as appropriate, to avoid information becoming disclosable.

Our services include:



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