

# Act now to close the Gender Pay Gap

## The Challenge

The **EU Directive on Pay Transparency**, officially approved on the 30<sup>th</sup> of March 2023, introduces a **set of measures** that can have a **substantial impact** on your reward practices and HR processes. Understanding the impact and implementing solutions **requires starting now**.

Are you taking sufficient measures to close the **gender pay gap**? Deloitte can support you to give you **insight** into pay transparency measures and support you to close the gender pay gap. It is our mission to foster a **fair workplace** with equal opportunities, where employees are valued equally.



## Agreement for EU directive

### Pay transparency measures

- Requirement to publish pay range in vacancies
- Prohibition to ask about an applicant's pay history
- Entitlement to receive sex-disaggregated information on the individual and average paylevel
- Obligation to publish gender pay reports for companies with more than 100 employees
- Conduct a joint pay assessment if the pay reporting shows a gender pay gap of at least 5%

### Justice measures

- Right to collective bargaining on equal pay matters
- Better access to legal or administrative proceedings for employees who suffered gender pay discrimination
- Compensation for employees who suffered gender pay discrimination
- Burden of proof with regards to equal pay disputes shifts to the employer
- Sanctions, including fines, from authorities if the responsibilities are not met by the companies

## How can we help you?

How big is the impact of the EU Directive on your organization? We recommend you to look at...

### Base and variable pay systems

- ✓ Define individual potential pay gaps (outliers) and investigate the qualitative explanations for pay variations
- ✓ Assess the impact for the employee and your organization in the short and mid-term
- ✓ Decide on changes in (a) the performance review cycle, (b) salary bandings and (c) job evaluations

### Recruiting process

- ✓ Offers can no longer be made based on (closely) matching the rewards package of previous employer(s)
- ✓ The expected pay level per job function can be provided
- ✓ Amending template contracts, policies and procedures and updating training for hiring managers to ensure full compliance

### Job design and job evaluation system

- ✓ Remove any bias from job titles and descriptions
- ✓ Provide a fair and robust process for evaluating changed jobs and regular quality check
- ✓ Make periodic checks to ensure adequate rationales are being kept
- ✓ Monitor the outcome of ongoing evaluations for new and changed jobs by gender, investigating and justifying any differences

### Documentation and communication

- ✓ Disclose and report out on fair pay matters and the right level of information towards your employees and social partners in an efficient way, avoiding individual questions (and potential court cases)
- ✓ Disclose and report out on fair pay matters and the right level of information towards the official institutions when more details are asked on pay policies, practices & procedures, ensuring full compliance

Is your organization taking sufficient measures to close the gender pay gap?

Reach out to us.

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