

10 February 2017

3HR Legal Weekly

Employment

Update on the Gender Pay Gap Reporting Regulations

In our 28th October 2016 newsletter, we reported that the Gender Pay Gap reporting regulations were expected to come into force in April 2017. The regulations have now received parliamentary approval and are awaiting sign-off by ministers.

The regulations require UK employers with 250 or more employees on 5th April 2017 to publish an annual gender pay gap report on their website setting out:

- i. The mean and median difference (in % terms) between the pay of men and women in the organization
- ii. The mean difference (in % terms) between the bonuses received by men and women over 12-month period
- iii. The proportion of men and women who received a bonus in the same 12-month period
- iv. The number of men and women in each of four pay bands, based on the employer's overall pay range

The Government and Acas have issued some draft guidance which provides practical advice on how to carry out gender pay gap reports. The guidance also provides some clarification of some of the key provisions and "essential considerations" on how employers can reduce the gender pay gap.

Currently, only employers with 250 or more employees are obliged to comply with the reporting requirements. Notably, however, the guidance also encourages those with fewer than 250 employees to consider the business benefits of complying with the gender pay rules.

For these purposes, "employees" includes workers on zero hours contracts, and other casual workers and also includes contractors who are employed under a contract to perform work personally where they cannot subcontract the work or employ their staff to do it.

The guidance provides details about how the regulations will affect group companies and multinational organisations. It also explains how employers should treat overseas workers in respect of the regulations, as well as overseas companies with employees working in Great Britain.

For more information about what the guidance tells us about carrying out gender pay gap reports, please ask for a copy of our flyer – '**Guidance on the Gender Pay Gap Reporting Regulations**'.

Next steps

1. Consider whether your company is likely to be required to report on gender pay
2. Consider whether you wish to voluntarily comply despite employing fewer than 250 people
3. Review your payroll and IT systems
4. Identify problem areas and consider ways to address them
5. Consider obtaining additional information
6. Identify who will be responsible for preparing the report
7. Inform senior management of the need to produce a report
8. Remember that any documents produced in the course of preparing the report could be disclosable in future litigation – 3HR can advise on how this can be avoided using legal privilege
9. On or before 4 April 2018 - Publish the first gender pay gap report

If you would like further information, please contact the 3HR Employment team.

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