



A&R Legal Briefing

# Gender Pay Gap Reporting

If you have managed to lift your gaze from the pages of 'Fire and Fury', you are unlikely to have missed the headlines regarding the gender pay gaps of employers such as the BBC, Easyjet, Virgin Money and Phase Eight following the legal requirement for all large employers to publish a report on their pay practices by 4 April 2018.

Have you considered your obligations as an employer and are you ready to meet the upcoming deadline? We have set out a helpful summary below for you to consider.

# What does it mean?

- 1. Large employers are required to analyse their gender pay gap and publish a report no later than 4 April 2018. Reports must then be produced and published annually.
- 2. There are no specific enforcement mechanisms or sanctions for failing to comply.
- 3. However, the government has indicated it will:
  - run periodic checks to assess for non-compliance;
  - produce tables by sector of employers' reported gender pay gaps;
  - highlight and identify employers publishing particularly full and explanatory information.

# As an employer you will be affected if:

- 4. You:
  - are a voluntary or private sector employer (this will also include LLP's, partnerships, limited partnerships incorporated and unincorporated bodies); and
  - employed (on 5 April 2017) 250 or more staff (this includes employees, casual workers, agency workers, personal service company employees and some contractors).

## Points to note:

- 5. Overseas employees may in some cases be excluded from the 250 employee threshold depending on factors such as their contractual terms, working arrangements, living arrangements, tax and social security treatment.
- 6. Each company in a group will be considered as a separate entity and any individual company which employs 250 people will need to prepare and publish its own report.

## Contents of Report:

- 7. Overall gender pay gap figures for relevant employees calculated using both the mean and median average hourly pay.
- 8. The proportion of men and women in each of four pay bands (quartiles), based on the employer's overall pay range.
- 9. The difference between men and women's bonus payments received in the previous 12 months.
- 10. A written statement, signed by an appropriate senior individual, confirming that the information is accurate.
- 11. A narrative explaining any pay gaps and what action if any they plan to take to address them (optional).

#### Top Tips

- 12. It is thought that most employers will likely find that they have a pay gap, so don't be put off if you find you are one of them. Below are some tips that may assist you after you have collected the data:
  - familiarise yourself with the data;
  - identify areas for improvement;
  - formulate a clear plan for how you intend to address any gap (consider areas such as recruitment, employee development and family friendly working practices);
  - share and discuss the data and any proposals with your employees prior to publishing (they might have some good ideas about how to help improve things); and
  - take advantage of the opportunity to provide a narrative with your data by explaining: your findings; how they have come to be; and plans you have for the future to help promote change.

If you do require any guidance or assistance with Gender Pay Gap Reporting please contact our employment law team at sarah. furniss@adamsandremers.com.

This article is not intended to be a full summary of the law and advice should be sought on all issues.

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