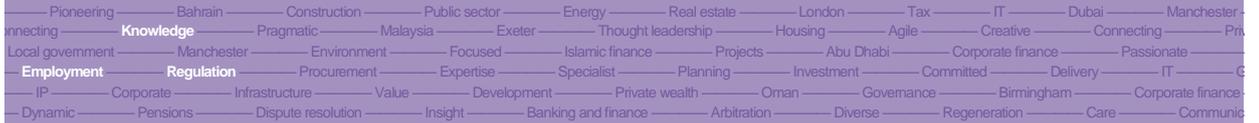




Legal update — February 2017

Employment Gender pay reporting – an update



With the "snap shot" dates for public, private and third sector employers fast approaching, we enjoyed a lively discussion and debate at our seminars on the new gender pay reporting regulations.

As well as a round up on the new reporting requirements, some interesting points came up about the wider implications and potential future developments on equality related pay reporting. Here is a quick round up:

- The new regulations of course only require reporting against one protected characteristic – gender. A recent government backed review by Baroness McGregor-Smith has called for employers to publish a breakdown of their workforce by race and pay. With the principle of gender pay reporting established, could we see the regime extended to other protected characteristics?
- Another potential extension to the regime, could be a requirement to report on the difference between the highest and the lowest paid employees in any organisation, or the ratio of executive pay to average pay. Employers in the third and social housing sectors will be aware of the interest the Charity Commission and the HCA take in the level of Chief Executive pay. Plus, regulations from 2013 require large and medium sized public companies to disclose comparative information about the pay of CEOs and employees;
- Employers working in and around the public sector may expect to ask and be asked to disclose their gender pay reports in tenders. For public authority employers, the gender pay reporting regime is incorporated into the public sector equality duty. There is an opportunity for employers who are ahead of the curve on equality and diversity initiatives to stand out on tenders, and for contracting clients and

authorities to use the supply chain to share good practice;

- Employers in the social care and leisure sectors will be familiar with HMRC's approach to sleep-ins and the enforcement of the National Minimum Wage, insisting that sleep-in time be taken into account. However, the Government Equality Office guidance on gender pay reporting states that sleep-in time should be excluded when calculating the gender pay gap, and strangely insists that this is the same position as under the NMW Regs; it isn't, at least according to HMRC.



Source: Fotolia

For more information about the gender pay reporting requirements and how we can help you get ready for the new regime, please do not hesitate to contact any member of the team.

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