

EU PAY TRANSPARENCY DIRECTIVE

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The principle of equal pay between men and women for equal work or work of equal value

- The principle is enshrined in the Treaties since 1957, Art 157 TFEU (Ex 119 EEC Treaty – Treaty of Rome)
- Directive 2006/54/EC (ex 75/117/EEC and 97/80/EC)
- 2014 Pay Transparency Recommendation
- New Directive 2023/970 on Pay transparency (transposition - 3 years, by June 2026)



Main obstacles addressed by new directive

- **Lack of legal clarity of key concepts:** ‘pay’, ‘work of equal value’ – to codify the case law of the CJEU ([see Dec.2024update - online](#))
- **Lack of transparency in pay settings and on pay progression**
- **Obstacles in access to justice** - lack of information on pay, issues to shift the burden of proof, lengthy and costly procedures, short limitation periods, equality bodies’ mandate ...
- Other GPG root causes are addressed by other actions and legal acts



Transparency – at worker’s level (1)

- Transparency of pay prior to employment
- Information on initial pay or its range based on objective and gender-neutral criteria - in a vacancy notice or prior to job interview

Aim: to ensure an informed and transparent negotiation on pay

- Prohibition to ask job applicant about current and previous salary

Transparency – at worker’s level (2)

Transparency of pay during employment:

- **Worker’s right to request information on *personal pay level* and *average pay level desegregated by sex* in a category of workers doing the same work or work of equal value. To be provided within max 2 months**
 - (All workers are covered)
 - Safeguard option in case of fear of adverse treatment – request through equality body or worker representatives
- Prohibition of pay **confidentiality clauses** – workers are allowed to disclose their pay levels
- Accessibility of information to persons with disabilities
- **Transparency on pay settings, criteria to determine workers’ pay and pay progression policy – to be available to all workers (employers with less than 50 workers may be exempted regarding pay progression policies)**

Transparency at employer's level (1)

Pay reporting: information about the situation on gender pay gaps in the organisation (employers having at least 100 workers)

- **Basic** – overall gender pay gaps at company level, proportion of female and male workers receiving complementary or variable components, etc.: *to be sent to a monitoring body*
 - *Possibility* to compile such information based on administrative data (by Social security, Tax or Statistical Office – if such information is available)
- **Specific** – gender pay gap within categories of workers doing equal work or work of equal value: *to be shared only internally, with workers and their representatives*

Reporting intervals:

- Employers with at least 250 workers: every year as of 2027
- Between 150 to 249 workers: every 3 years as of 2027
- Between 100 to 149 workers: every 3 years as of 2031

Minimum burden - information is based on data available to employer

Transparency at employer's level (2)

Joint pay assessment – to be conducted only when it is needed!

Triggered if 3 conditions are fulfilled:

- having a gender pay gap of at least 5% in **any** category of workers
- the employer cannot justify the gap by objective and gender-neutral factors
- the employer does not address the pay gap within 6 months.

JPA should include:

- [...], the reasons for differences in average pay levels;
- measures to address the differences in pay if they are not justified on the basis of objective, gender-neutral criteria;
- an evaluation of the effectiveness of measures from previous joint pay assessments.
- revision of existing job evaluation system or its establishment

Availability of JPA to workers and workers' representatives

Categories of workers – the key to success

- Categories of workers doing the same work or work of equal value
- Criteria to assess the value of work: skills, efforts, responsibility, working conditions
- Employers to set the weight of criteria relevant to each job
- Criteria should not be directly/indirectly based on worker's sex and have to be applied in non-discriminatory manner
- **Soft skills** need to be considered as relevant **sub-factors** in each **criteria**, for example **interpersonal skills** (social worker, human resources, teacher) **emotional effort** (social worker, nurse, customer service), **responsibility for people ...**
- Criteria should be **agreed with workers' representatives** where such representatives exist
- Criteria to be available to workers (ref. Art 6)
- MSs - to take measure ensuring that analytical tools or methodologies are available and easily accessible – to support and guide the assessment and comparison of the value of work
- For inspiration – existing and upcoming manuals and guides – COM, ILO, EIGE (upcoming)...

Thank you for your attention!

