

## Gender pay gap: deal reached on binding pay-transparency measures

- Women in the EU on average earn 13% less than men for doing the same job
- Workers will have the right to information on pay in their category of work
- Dissuasive penalties for employers that do not comply with equal pay rules

### **EU companies will be required to disclose information on salaries to expose existing gender pay gaps.**

According to the agreement reached by EP and EU countries' negotiators on Thursday, EU companies will be required to disclose information that makes it easier to compare salaries for those working for the same employer and expose existing gender pay gap.

Pay structures to compare pay levels should be based on gender-neutral criteria and include gender-neutral job evaluation and classification systems. Vacancy notices and job titles will have to be gender neutral and recruitment processes led in a non-discriminatory manner. If pay reporting shows a gender pay gap of at least 5%, employers will have to conduct a joint pay assessment in cooperation with their workers' representatives. Member states will have to put in place effective, proportionate and dissuasive penalties, such as fines, for employers that infringe the rules. A worker who has suffered harm as a result of an infringement will have the right to claim compensation. For the first time, intersectional discrimination and the rights of non-binary persons have been included in the scope of the new rules.

### **Prohibit pay secrecy**

The provisional agreement stipulates that workers and workers' representatives will have the right to receive clear and complete information on individual and average pay levels, broken down by gender. Pay secrecy will be banned: there should be no contractual terms that restrict workers from disclosing their pay, or from seeking information about the same or other categories of workers' pay.

## Shift of burden of proof

On pay-related issues, the burden of proof will shift from the worker to the employer. In cases where a worker feels that the principle of equal pay has not been applied and takes the case to court, national legislation should oblige the employer to prove that there has been no discrimination.

## Quotes by the rapporteurs

[Samira Rafaela](#) (Renew Europe, NL), of the Women's Rights and Gender Equality Committee, said: "Finally we have secured binding legislation that tackles pay discrimination across the EU. This modern, inclusive and rights-based Directive is a testament of the European Parliament standing up for its citizens. For the first time, we have included the recognition of intersectional discrimination and have explicitly included non-binary persons. We are now one step closer to realising true gender equality in our Union."

[Kira Marie Peter-Hansen](#) (Greens/EFA, DK), of the Employment and Social Affairs Committee, said: "Today's deal shows the EU won't accept gender-based pay discrimination. Parliament pushed for more workers to have their right to equal pay and pay information and for more companies to be transparent about the pay gap. Historically, women's work has been undervalued and underpaid. Pay transparency does not eradicate all kinds of discrimination, but it can shed light on the pay gap and ensure that action is taken where it's needed."

## Next steps

Parliament and Council will have to formally approve the agreement. The new rules will come into force twenty days after their publication in the EU Official Journal.

## Background

The principle of equal pay is laid down in [Article 157 TFEU](#). However, across the European Union, the gender pay gap persists and stands at around 13%, with [significant variations among member states](#); it has decreased only minimally over the last ten years.

## Further information

[Steps of the procedure](#)

[Legislative train](#)

[EP Think Tank Equal pay for equal work between men and women \(May 2022\)](#)

[Committee on Women's Rights and Gender Equality](#)


[Committee on Employment and Social Affairs](#)


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