

Equal pay for equal work between men and women (pay transparency and enforcement mechanisms)

2021/0050(COD) - 22/03/2022 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Employment and Social Affairs and the Committee on Women's Rights and Gender Equality jointly adopted a report by Kira Marie PETER-HANSEN (Greens/EFA, DK) and Samira RAFAELA (Renew Europe, NL) on the proposal for a directive of the European Parliament and of the Council to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.

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 14%, with significant variations among member states; it has decreased only minimally over the last ten years.

Moreover, the economic and social consequences of the COVID-19 pandemic are having a disproportionate impact on women and gender equality, and job losses have been concentrated in low-paid, female-dominated sectors. The effects of the COVID-19 pandemic will therefore further widen gender inequalities and the gender pay gap unless the recovery response is gender sensitive. Those consequences have made it even more pressing to tackle the issue of equal pay for equal work or work of equal value.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows:

Equal work and work of equal value

The amended text proposed that Member States should, in cooperation with the social partners, take the necessary measures, after consulting the equality bodies, to ensure that employers have pay structures in place ensuring equal pay for equal work or work of equal value, without discrimination based on grounds of sex, gender, gender identity, gender expression or sex characteristics.

Pay transparency prior to employment

Employers should ensure that vacancy notices, job titles and recruitment processes are gender neutral and that the information is provided in a manner accessible to workers with disabilities, upon request, in accordance with harmonised legal acts of the Union on accessibility.

Right to information

The amended text called for workers and their workers' representatives to have the right to receive **clear and complete information** on their individual pay level and the average pay levels, **broken down by gender**, for categories of workers performing the same work as them or work of equal value to theirs, as well as the gender pay gap and median gender pay gap between of workers employed by the same employer, but not more frequently than twice a year and provided that that information has not already been communicated to them through their workers' representatives.

Disclosure of pay information

Workers should not be prevented from disclosing their pay. To this end, Member States should put in place measures to prohibit contractual clauses preventing workers from disclosing information about their pay.

Labelling

The text proposes the Commission should create an official label for all employers who do not have a gender pay gap based on the information received by the monitoring bodies on the gender pay gap and median gender pay gap.

Reporting on pay gap between female and male workers

Members demand that EU companies with at least 50 employees (instead of 250 as originally proposed) be required to disclose information that makes it easier for those working for the same employer to compare salaries and expose any existing gender pay gap within the organisation.

If the pay reporting shows a gender pay gap of at least 2.5% (versus 5% in the initial proposal), Member States would need to ensure that employers, in cooperation with their workers' representatives, conduct a joint pay assessment and develop a gender action plan.

Monitoring and awareness-raising

Member States should ensure that the tasks of the monitoring body include the following: (i) raise awareness among public and private undertakings and organisations, social partners and the general public to promote the principle of equal pay and the right to pay transparency; (ii) devise tools and guidance to help analyse and assess pay inequalities in order to tackle discrimination, including the causes of the gender pay gap; (iii) aggregate data received from employers and publish this data in an accessible and user-friendly manner.

Union Pay Equality Plans

A new article has been introduced concerning pay equality plans created by the Commission setting out the priorities and targets to fill in concrete measures and corrective actions based on data on labour market segregation and the biases in equal pay for equal work or work of equal value in the Union and the single market. The Union Pay Equality Plan should be presented for a five-year period.