

PAYROLL

GENDER PAY GAP REGULATIONS

New regulations requiring employers to publicly report gender pay gap statistics.

The difference between the average pay for men and the average pay for women is known as the 'gender pay gap'. New gender pay regulations have been introduced that require employers, both in the private and voluntary sectors, with more than 250 employees to access pay data about their employees and publish their gender pay statistics on their website.

The regulations came into force on 5 April 2017, from which point affected employers have 12 months, until 4 April 2018, before you must publish your first gender pay gap information.

Whilst those affected by the changes have until next April to comply, we recommend acting now to ensure that the necessary information and statistics can be extracted from the payroll data.

It is important to note that gender pay reporting is different to equal pay. Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs or work of equal value and it is unlawful to pay people unequally because they are a man or a woman. The gender pay gap shows the difference in the average pay between all men and women in a workforce, therefore, does not account for the proportion of men and women in different occupations, for example.

DO YOU NEED TO COMPLY?

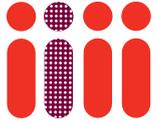
Both private and voluntary sector employers with more than 250 employees have to comply with these new regulations. Whilst there are currently no penalties in place for non-compliance, this may change and failure to comply will carry the risk of harming your reputation.

An 'employee' for this purpose is defined in the Equality Act 2010 and covers many self-employed workers who are engaged directly by employers as consultants and independent contractors, etc. Consequently, many more employers are likely to fall within the scope of the regulations as these workers will bring the employee count above the 250 threshold. Only employees on full-pay at 5 April each year will be included in the statistics to avoid skewing the statistics with those on a lower rate of pay at that time; for example, someone on parental leave.

WHAT IS REQUIRED?

The legislation requires the information to be published in a prominent place on a company's website and on a designated government website, so that it is accessible to both employees and members of the public. Interestingly, there is no requirement to explain the numbers, although you may choose to do so to help clarify the disclosures.





We strongly recommend you prepare now in order to identify any uncertainties and to resolve any contentious issues well in advance of the compliance deadline.

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A 'month' and a 'year' are treated as having a specific number of days and there is a specific calculation to be used.

Particular statistics are required, including pay gap quartiles, the average and the median, and there are also some exceptions where data may be difficult to include.

PREPARE NOW, SAVE THE HASSLE LATER

Though you are not required to publish this data until April 2018, we strongly recommend you prepare now in order to identify any uncertainties and to resolve any contentious issues well in advance of the compliance deadline.

At the very least, we recommend you prepare for this new regime by:

- identifying whether or not you are a relevant employer and which employees, if any, would be concerned, checking their employment status under the Regulations;
- identifying any areas of uncertainty over who is in the scope;
- considering whether or not you have overseas employees assigned to work in the UK;
- analysing which elements of your remuneration package are reportable.

THE NEXT STEP

If you would like any help in preparing for these regulations, please contact **Beverley Howells, partner:**

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