

BILL IMPLEMENTING EU PAY TRANSPARENCY DIRECTIVE

Measures to address pay inequality - for employers defined as "enterprise" under Works Councils Act

DE BRAUW
BLACKSTONE
WESTBROEK

TRANSPARENCY OBLIGATIONS

FOR ALL EMPLOYERS

Establish **transparent, objective and gender-neutral pay structures** that ensure equal pay for equal work

Provide **access** to criteria for determining pay, pay levels, and (for employers with > 50 employees) pay progression

Provide **information** about own and average pay level within employee categories, broken down by gender

Use gender-neutral job titles and adverts in **recruitment processes** and do not ask about previous salary



REPORTING OBLIGATIONS

FOR EMPLOYERS WITH 100 OR MORE EMPLOYEES

Report on pay gap and proportion of male/female employees receiving variable compensation

Reporting frequency based on size of employer:

- 100-149 employees: every three years, first report due by 7 June 2031
- 150-249 employees: every three years, first report due on 2027 data
- ≥ 250 employees: annually, first report due on 2027 data



EVALUATION OBLIGATIONS

FOR EMPLOYERS WITH 100 OR MORE EMPLOYEES

Conduct **pay evaluation** with employee representatives if:

- average pay difference for work of equal value is more than 5% and
- this cannot be objectively explained or resolved within six months.

Evaluation to include action plan with causes and solutions. Works council consent required.



IMPLEMENTATION: BY 1 JANUARY 2027 AT THE LATEST



EXPANSION OF WORKS COUNCIL RIGHTS - CONSENT REQUIRED FOR:

- Establishment of pay structure/job evaluation system *
- Associated objective and gender-neutral criteria *
- Classification of employees into pay categories *
- Method of addressing pay differences
- Pay evaluation and action plan if pay gap > 5%

* If these topics are included in a collective bargaining agreement (CAO), trade unions must be involved.