

Equal Pay and The Pay Transparency Directive

What does it mean for your organization?

1. What's changing – and who needs to act?

By June 2026, the EU Pay Transparency Directive needs to be implemented in national legislation. As of then – according to a phased implementation - EU employers with 100 employees or more will have to comply with strict new pay transparency rules to ensure equal pay for equal work or work of equal value. Organizations will need to:

- **Have transparent pay structures** based on objective, gender-neutral criteria.
- **Provide pay information** to job applicants and employees.
- **Report** on gender pay gaps.
- **Take action** if pay gaps of 5% or more are found.
- **Be prepared for increased scrutiny:** employees, works councils, and equality bodies can request pay data, and the burden of proof shifts to the employer in disputes.



Who is affected?

All EU employers with 100+ employees, including non-EU companies with staff in the EU. The rules apply across all sectors.

2. How can KPMG help you?

KPMG provides multidisciplinary, end-to-end support to help you comply with the new Directive—and turn compliance into an opportunity:

- **Awareness & inspiration sessions:** Equipping your HR and leadership teams with insights into the Directive and its impact.
- **High-level pay gap analysis:** Leveraging our flexible Power BI tool to deliver a tailored overview of your current pay landscape.
- **Deep dive analysis:** Conducting a thorough review of your job architecture and pay policies to uncover root causes of any pay gaps.
- **(Re)design of pay structures:** Support in redesigning pay frameworks and policies to ensure fairness and compliance.
- **Legal risk assessment:** Analysis of legal implications and development of an action plan.
- **Social dialogue:** Guidance in discussions with works councils and unions.
- **Reporting & process support:** Assistance with mandatory reporting and process optimization.
- **Change management:** Guiding your teams in implementing sustainable, transparent pay practices.



3. KPMG's Pay Transparency Tool



Our Pay Transparency Tool provides instant insight into your organization's pay landscape. The tool combines your HR and payroll data in a secure, GDPR-compliant environment and visualizes pay gaps across different employee groups. You can quickly identify where gaps exist, model the impact of policy changes, and generate reports that meet EU and local requirements. This enables you to act proactively, address risks, and demonstrate compliance with confidence.

Our Pay Transparency Tool provides:

- **Clear dashboards** for high-level and detailed pay gap analysis.
- **Scenario modelling** to test the impact of policy changes.
- **Automated reporting** to meet EU and local requirements.
- **Actionable insights** for remediation and ongoing compliance.



Are you ready for the new rules?

Contact our team for a quick scan of your current pay situation, a demo of our Pay Transparency Tool, or tailored advice on how to prepare for the EU Directive. Let's ensure your organization is compliant—and future-proof.

Contact



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