



Gender pay gap reporting

2023

Gender pay gap reporting

The Gender Pay Gap refers to the difference in the average hourly pay of women compared to men in a particular organisation and is designed to capture the extent to which women are evenly represented across an organisation. Employers need to be aware that where a gender pay gap exists, this may negatively impact their brand, employee relations, public reputation and their ability to attract and retain talent.

The Gender Pay Gap Information Act 2021 (the “Act”) was signed into law on 13 July 2021. The Act amends the Employment Equality Acts 1998 to 2015 in the form of the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (“the Regulations”).

The Regulations provide for reporting and publication obligations on both private and public sector employers.

They apply to employers with 250 or more employees for the first two years after their introduction (i.e. 2022 and 2023). By 2024, the Regulations will also apply to employers with 150 or more employees, and by 2025, the Regulations will apply to employers with 50 or more employees. The Regulations will not apply to employers with fewer than 50 employees.

The Minister has indicated that a central website onto which employers will be required to upload their information will be established, however, until this is established employers are only obliged to report on their website (or make it available for inspection during normal business hours).

Employers must choose a ‘snapshot’ date in June. They then have up to 6 months to prepare their calculations before the reporting deadline which is set at 6 months following the snapshot date. The remuneration data on which the calculations for reporting are based will reflect employees’ remuneration for the 12-month period that precedes the chosen snapshot date.

The reporting deadlines will vary for each employer based on their chosen snapshot date but at the latest will be a date in December.

Reporting Requirements

- i Mean hourly remuneration gap
- ii Median hourly remuneration gap
- iii Mean bonus remuneration gap
- iv Median bonus remuneration gap
- v Mean hourly remuneration gap of part-time employees
- vi Median hourly remuneration gap of part-time employees
- vii Mean hourly remuneration gap of temporary contract employees
- viii Median hourly remuneration gap of temporary contract employees
- ix. % of male employees who were paid bonus remuneration & % of female employees who were paid bonus remuneration
- x. % of male employees who received benefits in kind & % of female employees who received benefits in kind
- xi. Percentage of males and females when divided into four quartiles ordered from lowest to highest pay
 - a) Lower remuneration quartile pay band
 - b) Lower middle remuneration quartile pay band
 - c) Upper middle remuneration quartile pay band
 - d) Upper remuneration quartile pay band

In addition, where any pay gaps are identified, employers must set out the reasons for this and the measures (if any) being taken, or proposed to be taken, to eliminate or reduce any such pay gaps.



Key metrics explained



The Mean Pay Gap

The mean gender pay gap is the difference between women's mean hourly wage and men's mean hourly wage. The mean hourly wage is the average hourly wage across the entire organisation.



The Median Pay Gap

The median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man). The median hourly wage is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle.



The Quartiles

Pay quartiles are calculated by splitting all employees in an organisation into four even groups according to their level of pay. Looking at the proportion of men and women in each quartile gives an indication of the gender representation at different levels of the organisation.



Your reporting strategy



Get your data ready

Check your reporting systems can deliver the data you require. How much human intervention will you need to compile your report? Make sure you set up systems so they can report according to the proposed procedures and pay periods.



Involve key stakeholders

You will need support from across the organisation to calculate and explain your gender pay gap. Engage with other departments early to address challenges you may have with the IT systems for example, or in dealing with employees' concerns once you publish the figures.



Analyse your data

Collate and review your data in line with the requirements to provide you with a snapshot of the current gender pay gap in your organisation. Interrogate this data to ensure you have a clear view of the gaps and perhaps where they are most prevalent in your organisation.



Understand your Pay Gap

Understanding the reasons for your gender pay gap as early as possible gives you time to work out how to explain them (if the reasons are fair and valid) or to take professional advice on how to address them and to take action before you publish your gender pay gap report.



Build your narrative & plan your communications strategy

Your organisation needs to own the narrative around your report. This is particularly important given that gender pay and equal pay are often confused. Prepare for challenges to your report from third parties, time your communications strategy carefully and put plans in place to control your message.



Implement proactive change

How you respond when you identify a gender pay gap could come under as much scrutiny as your gender pay gap itself. Failing to demonstrate positive change could put you at a disadvantage. Think now about how changing policies and practices in key areas, including recruitment, talent development, training, remuneration and retention, could help reduce your gender pay gap.

How will you address your gender pay gap?

Preparing to publish the data is one thing, but explaining why any pay gap exists and how you are dealing with any identified pay gap will be crucial to complying with the Regulations.

Set your figure in context. Your figure may be skewed by a number of factors, such as your industry sector or historical patterns of progression. We can prepare the narrative to explain the factors that influenced the calculation.

Look at policies and practices. Your response to your gender pay gap could attract as much scrutiny as the data itself. Failing to demonstrate positive change could negatively impact your business. Look at policies and practices in these key areas, could they be improved?

- **Remuneration**
- **Recruitment**
- **Talent Development**
- **Retention**
- **Diversity and Inclusion**

Checklist

- ✓ Get your data ready
- ✓ Involve key stakeholders
- ✓ Analyse your data
- ✓ Understand your Pay Gap
- ✓ Build your narrative and plan your communications strategy



How can we help?

KPMG can assist your teams in preparing for Gender Pay Gap (“GPG”) reporting in Ireland. We can make your stakeholders aware of the issues, prepare a current “as is” analysis of your payroll to assess the current status of your organisation and provide a communication and action plan to address and explain any gaps arising.

1

Awareness

KPMG can host a workshop/meeting with your stakeholders, to share insights on the practical challenges of GPG, how other organisations have been dealing with it, and what next steps to take to communicate and take action to reduce your GPG.

2

Analysis

Our KPMG Data analytics tool can analyse your organisation’s payroll data and prepare a detailed review and report by age, location, seniority of employees, functions and / or job titles. It can also assist with identifying the potential root causes of any GPG and KPMG can then advise on actions to address the GPG.

3

Assurance

Develop practical communications or guidance for your stakeholders on GPG reporting, taking action to reduce the GPG and feeding in to other gender, inclusion and diversity initiatives. Gender pay gap reporting is likely to generate ongoing and evolving issues to discuss (e.g. diversity reporting, equal pay auditing etc.)



In appropriate circumstances our advice can be provided under legal advice privilege to allow you to look at your data and strategy in a protected way.



Contact us now to understand the impact of gender pay gap reporting on your business and diversity agenda.

Sample Outputs: Gender Pay Gap



Notes:

Contact us

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