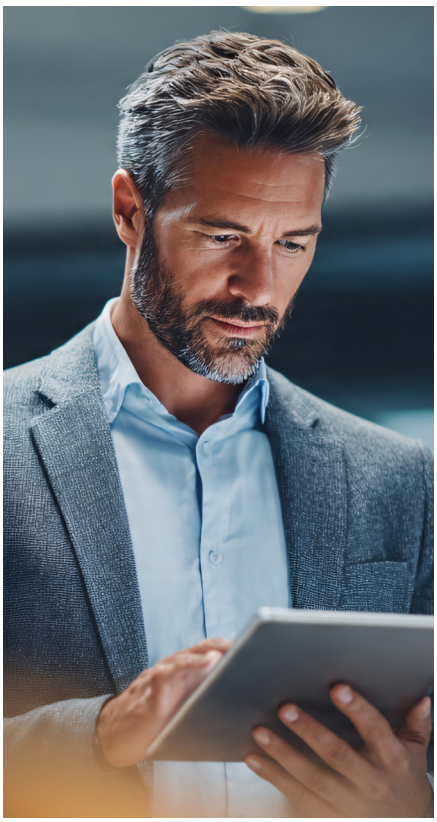
Pay transparency readiness

A pragmatic roadmap to prepare for the EU Pay Transparency Directive

Confidence in pay. Clarity in data.

What is the EU Pay Transparency Directive?

The EU Pay Transparency Directive (2023/970) introduces common requirements for employers across EU Member States on pay transparency, employee information rights, and gender pay gap reporting.



Key requirements at a glance

- **Pay transparency in recruitment**
  Employer must provide salary ranges or starting pay prior to the job interview and may no longer ask candidates about their pay history.
- **Transparency during employment**
  Employees must be informed about objective, gender-neutral criteria used to determine, set, and develop pay.
- **Right to information**
  Employees may request information on their individual pay and average pay, broken down by sex, for categories of workers performing the same work as them or work of equal value to theirs.
- **Gender pay gap reporting**
  Employers must report gaps in basic and variable pay, including mean and median gaps, variable pay participation, and pay quartiles.
- **Worker category reporting**
  Employers must report pay gaps by worker category and pay component; unexplained gaps of 5% or more may trigger a joint pay assessment with employee representatives.
- **Phased reporting deadlines**
  Employers with 250+ employees report annually from 2027; employers with 150–249 employees report every three years from 2027; employers with 100–149 employees report every three years from 2031.
- **Enforcement and sanctions**
  Non-compliance may result in financial penalties, corrective obligations, and increased legal exposure.

© 2026 KPMG Tax, Legal & Accountancy, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

How KPMG can help

KPMG brings together reward, legal, tax, HR transformation, data analytics, and change expertise to help employers across the EU prepare in a practical, risk-managed, and business-oriented way.

Assess readiness: map current obligations, identify maturity gaps, and prioritize actions across countries, entities, and employee groups.

Strengthen the data foundation: review HR, payroll, and reward data quality; define pay components; and prepare for consistent reporting.

Analyze and explain pay gaps: perform gender pay gap and equal pay analyses, identify drivers, test objective justifications, and model remediation options.

Build defensible structures: align job architecture, grading, pay ranges, reward policies, and decision criteria with transparency requirements.

Prepare policies and processes: update recruitment, employee information, pay review, governance, and documentation processes.

Enable change: support leadership alignment, manager readiness, employee communication, and works council engagement.

KPMG Pay Transparency Tool

Our approach is supported by KPMG's Pay Transparency Tool, a Power BI-based dashboard hosted on the KPMG Digital Gateway platform. It helps employers measure, visualize, and understand pay gaps across employee groups and pay components, including fixed, variable, and indirect pay.

What you gain

- A clear view of current readiness, risks, and priority actions.
- A defensible basis for explaining pay decisions and addressing gaps.
- A practical roadmap tailored to your organization's footprint, workforce, and reward strategy.
- A stronger foundation for compliance, consistency, and employee confidence across the EU.

Preparing with confidence

For employers, pay transparency readiness is not only about meeting reporting obligations. It also requires reliable data, clear governance, consistent decision-making, and well-prepared communication.

KPMG can support employers in taking a structured next step toward compliance and readiness across the EU.

© 2026 KPMG Tax, Legal & Accountancy, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Contact

Carolien Van Echelpoel
Partner
KPMG in Belgium

M: +32 (0)478 25 62 76
E: cvanechelpoel@kpmg.com

Freya Potoms
Senior Manager
KPMG in Belgium

M: +32 (0) 474 62 25 08
E: fpotoms@kpmg.com

Henri Kemseke
Manager
KPMG in Belgium

M: +32 (0)471 08 27 52
E: hkemseke@kpmg.com

kpmg.com/be

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG Tax, Legal & Accountancy, a Belgian BV/SRL and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.