

# Gender Pay Gap Reporting in Ireland

## Background

- With effect from 31 May 2022, the obligation for employers in Ireland to report on their gender pay gap ("GPG") has come in to force. The Gender Pay Gap Information Act 2021 (the "2021 Act") has now formally commenced.
- The Minister for Children, Equality, Disability, Integration and Youth (the "Minister") has published the Employment Equality Act 1998 (Section 20A) (Gender Pay Gap Information) Regulations 2022 (the "Regulations").
- Employers in Ireland are now obliged to report on their GPG based on a snapshot date taken in June 2022.
- The obligation does not apply to all businesses. Those employing 250+ employees are required to report by 31 December 2022. Employers with fewer employees will be required to report in subsequent years.

## What is the GPG?

The average difference in gross hourly earnings of men and women is referred to as the GPG. It is expressed as a percentage of men's average gross hourly earnings. A positive GPG indicates that women are in a less favourable position than men in an organisation, while a negative GPG indicates the reverse. Employers should aim to have a neutral or zero GPG in their organisation.

## Which employers are in scope?

From 2022, employers who employ 250 or more employees in Ireland are required to report on the GPG in their organisation. This will extend to

employers with 150 or more employees in 2024, and include employers with more than 50 employees by 2025. There is currently no proposal to extend the reporting requirement to smaller employers. For employers who are around the 250 employee mark, a headcount should be performed on the snapshot date of all employees, including employees not rostered to work on that date and employees on leave to determine if they are in scope this year. There is no differentiation between full or part-time employees; only employees who are on career breaks for over 12 months can be excluded from the calculation.

## What is the 'snapshot' date?

Per section 2 of the Regulations, the relevant date or the snapshot date must be in June of each year but may be any date in June, up to and including 30 June. On this day, employers are obliged to calculate the employee's remuneration for the 12 month period that precedes the snapshot date. A GPG report will then have to be produced within six months of the snapshot date. It is important to note that a reduction in employees after the snapshot date will not impact on the report.

## What are employer's obligations?

The GPG report must be published within six months of the snapshot date on the employer's website or in some other form, such as a physical reproduction of the report, which is easily accessible to all its employees and to the public. The report must be available for a period of at least three years beginning with the date of publication. While there is no requirement to submit the report to the Minister in 2022, there are plans in place to establish an online reporting system for the 2023 reporting cycle, where all

employer reports will be uploaded and can be accessed publicly.

## How do employers calculate the GPG?

1. Employers should begin by choosing a snapshot date in June and ascertaining the headcount of employees in their organisation on that date. For each employee included in the snapshot date, the employer must calculate for the reporting period the:
  - Total ordinary pay;
  - Total bonus;
  - Total benefits-in-kind;
  - Total hours worked; and
  - Hourly remuneration.

Total ordinary pay means basic salary, paid allowances, overtime payments, regular shift premium pay, sick pay, salary top ups for statutory leave and pay for gardening leave. Employers should follow the formula set out in section 4 (1) of the Regulations to calculate the total hours worked for employees whose working hours are not fixed, or differ from week to week.
2. Calculate the number of full-time, part-time and temporary employees. Then calculate the percentage of male and female employees who are paid bonuses and who received benefits-in-kind.
3. The precise calculations, the categorisation into remuneration quartiles and the means of identification of a GPG across fixed and variable remuneration is set out in detail in the recently published Irish Government Guidance<sup>1</sup>.
4. The employer must then produce a GPG report outlining the mean and median hourly remuneration, bonus remuneration and benefits in kind, and information relating to quartile pay bands.

Where a GPG is reported, the employer must then set out the employer's opinion as to the reasons why a GPG exists in the company and the measures that are being taken or proposed to be taken to eliminate or reduce the GPG.

## What happens if no GPG report is furnished?

The 2021 Act provides the Irish Human Rights and Equality Commission with the power to make an application to the Circuit Court or to the High Court for the granting of an order requiring the employer concerned to comply with the Regulations. Employees may also refer their employer to the Director General of the Workplace Relations Commission if the employer fails to comply with the reporting obligations. The Director General may then commence an investigation into the employer's conduct.

## How the Maples Group Can Help

Our team is advising employers on preparation for GPG reporting, collecting pay data and on proposals to address GPG through recruitment and retention policies. For further information, please reach out to your usual Maples Group contact or any of the persons listed below.

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<sup>1</sup> <https://www.gov.ie/en/publication/1abe5-how-to-calculate-the-gender-pay-gap-metrics-guidance-note/#>