

EU PAY TRANSPARENCY DIRECTIVE REQUIREMENTS: A READINESS GUIDE FOR HR TEAMS

The EU Pay Transparency Directive (2023/970) is reshaping how organisations manage and report on pay equity. This guide helps HR professionals prepare for the upcoming changes, ensuring compliance and fostering a fair workplace.

KEY DATES AND REQUIREMENTS

Directive Adoption: 10 May 2023

Transposition Deadline: 7 June 2026

REPORTING TIMELINES

250+ Employees: Annual reports starting 7 June 2027

150-249 Employees: First report 7 June 2027, then every 3 years

100-149 Employees: First report 7 June 2031, then every 3 years



READINESS CHECKLIST

1. REVIEW AND ALIGN PAY STRUCTURES

- ☐ Examine your current pay structures, salary bands, and how pay decisions are documented
- ☐ Identify and address any inconsistencies or unexplained differences
- ☐ Develop a clear plan to align salaries, even if formal reporting is not required

2. RECRUITMENT TRANSPARENCY

- ☐ Include initial salary or clear range in job postings
- ☐ Remove questions about candidate's pay history
- ☐ Ensure gender-neutral job descriptions and interview processes

3. PAY-SETTING CRITERIA

- ☐ Document objective, gender-neutral criteria for pay decisions
- ☐ Make criteria accessible to all employees

4. INFORMATION REQUEST PROCESS

- ☐ Create a procedure for employees to request pay information
- ☐ Prepare to respond within two months
- ☐ Train managers on handling pay discussions

5. GENDER-NEUTRAL JOB ARCHITECTURE

- ☐ Review/redesign job classification system
- ☐ Group roles of equal value using gender-neutral factors

6. DATA AND HRIS UPGRADES

- ☐ Capture essential pay data: basic pay, variable pay, allowances, etc.
- ☐ Enable four-year historical data storage
- ☐ Prepare for data export in required format

7. GENDER PAY GAP REPORTING

- ☐ Determine annual headcount on June 30th
- ☐ Prepare for first report by 7 June 2027 (covering 2026 data)
- ☐ Set up ongoing reporting schedule based on company size

8. JOINT PAY ASSESSMENT PREPARATION

- ☐ Draft an action plan template for addressing significant pay gaps
- ☐ Include employee representatives in methodology design

9. POLICY AND CONTRACT UPDATES

- ☐ Remove pay secrecy clauses
- ☐ Add anti-retaliation language
- ☐ Include clause on aggregated pay data publication

10. TRAINING AND COMMUNICATION

- ☐ Train HR, recruiters, and managers on new obligations
- ☐ Inform employees about their rights under the directive

11. GOVERNANCE AND OVERSIGHT

- ☐ Assign executive sponsor (e.g., Chief People Officer)
- ☐ Form cross-functional project team
- ☐ Schedule quarterly progress reviews

PRACTICAL TIMELINE FOR A 180-EMPLOYEE ORGANISATION

- 1. Q3 2025:** Update vacancy templates, retrain recruiters
- 2. Q4 2025:** Map roles to gender-neutral framework, update HRIS
- 3. H1 2026:** Conduct pay gap analysis dry run, address anomalies
- 4. Q3 2026:** Finalise policies and employee communications
- 5. H1 2027:** Produce and file first official report by 7 June 2027

By following this guide, your organisation will be well-prepared for the EU Pay Transparency Directive. Remember, early preparation is key to smooth implementation and compliance.

For more detailed information, consult the full EU Directive.

