

— CLIENT GUIDE · 2026

# The New Era of Pay Transparency

A practical guide for Talexio's clients on the EU Pay Transparency Directive (2023/970), what's changing, what to prepare, and how Talexio is helping you get there.

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## — INTRODUCTION

# Pay Transparency Directive: Guide for Talexio's Clients

The **EU Pay Transparency Directive (2023/970)** is transforming how organisations manage and report on pay equity. It goes beyond a simple set of new rules. It is a fundamental shift in how companies across Europe approach compensation and fairness. Its core mission is simple: to ensure that pay is based on objective, gender neutral criteria and to eliminate the pay gap through better transparency.

## — KEY CONCEPTS

### Five ideas every employer should understand

#### 01 · EQUAL VALUE

##### Understanding Work of Equal Value

A critical part of the Directive is ensuring equal pay for work of equal value. This means that completely different roles, such as a technician and a storekeeper, may be deemed to provide the employer with the same value based on objective criteria. If roles are found to be of equal value, they must share the same pay structures.

#### 02 · DEFINITION OF PAY

##### What Counts as Pay

The definition of pay is broad, covering gross basic salary plus all variable components such as bonuses, overtime, allowances, commissions and benefits in kind. Crucially, employers must remove pay secrecy clauses from employment contracts, as workers have the right to discuss their compensation to uphold the principle of equal pay. Failure to comply can result in increased fines and extended prescriptive periods for legal claims.

#### 03 · OBJECTIVE CRITERIA

##### Objective, Explainable Decisions

Every pay decision must be objective and easily explainable. This requires moving away from informal negotiations and toward a structured process called job evaluation. We recommend the Point-Factor Method as the standard for this transition because it justifies pay based on job requirements rather than the individual — evaluating roles using the four key criteria mandated by the directive: skills, effort, responsibility, and working conditions.

#### 04 · REPORTING OBLIGATIONS

##### Measurable Progress

To ensure progress is measurable, the directive introduces formal reporting on the gender pay gap. These obligations roll out in stages, allowing organisations time to align their data and internal processes before their respective deadlines. While mandatory submission dates vary by company size, the commitment to fair pay applies to everyone. Even organisations not yet subject to formal reporting must maintain objective standards and be ready to provide pay data upon request.

#### 05 · RIGHT FOR INFORMATION

##### Employee Access to Pay Information

Employees will now have the right to request information regarding their individual pay levels and the average pay for categories of workers performing the same work or work of equal value as them.

— THE CURRENT REGULATORY LANDSCAPE

# Where Malta stands today, and why you can act now

MALTA · IMPLEMENTATION STATUS

## Partial implementation, complete framework still taking shape

Malta has already done a partial implementation of the directive, with the **Transparent and Working Conditions Amendment Regulations 2025** serving as a significant starting point for local employers. But the complete regulatory framework for Malta is still taking shape, specifically in relation to work of "equal value", pay structures and reporting obligations.

Notwithstanding, the directive's focus on objective, gender-neutral criteria is something every business can begin implementing now, rather than waiting for the final text.

— TALEXIO'S ROADMAP & YOUR PREPARATION

# What Talexio is doing

Talexio is committed to providing the tools you need to meet these new requirements with confidence. Our existing Salary Scales, along with the Benefits and Perks functionality, already give you a head start by centralising your essential pay data. We are currently in the final stages of launching our first dedicated updates designed to help you align with the directive.

IMMEDIATE UPDATES

### Available now

- **Pay Management:** Salary Reviews and Salary Scales reorganised under a new section for a more streamlined experience.
- **Perks with monetary values:** standard or per-employee amounts for a complete view of total remuneration.

COMING SOON

### To be released shortly

- **Job Evaluation Tool:** to support the shift toward objective "work of equal value" criteria, Talexio is developing a **Point-Factor Analysis Tool**. It will be integrated into the Pay Equity section within Pay Management, enabling you to evaluate roles based on their intrinsic value to the organisation.
- **Pay Equity:** Reporting on average and median pay for the same role or salary scale, aligned with EU standards using robust data normalisation and statistical testing.

FUTURE ROADMAP

### Deeper insights

Talexio's subsequent updates will focus on expanding reporting features driven by your **Job Evaluation data and Salary Scales**, providing deeper insights into organisational pay health.

— YOUR PREPARATION

# Four steps you can start today

You don't need to wait for the final legislation to begin preparing. We recommend focusing on these four areas:

## 01

### Organise Your Job Architecture

Standardise your job titles. If multiple people are doing the same job under different titles, clean this up now. Group roles into "Job Families" and review descriptions through the lens of four key factors: skills, effort, responsibility, and working conditions.

## 02

### Audit Your Actual Pay

Map every element of remuneration, not just base salary. This includes bonuses, overtime, allowances, and benefits in kind. Calculate averages and medians for each role to identify any existing gaps early.

## 03

### Choose Your Evaluation Model

The Directive requires objective, gender-neutral criteria. The Point-Factor System is the most robust way to prove your pay is fair. Use our template to get started today.

## 04

### Run a Pilot Program

Don't try to overhaul the entire company at once for now. Pick two departments, test your grading logic, and see if the "equal value" logic holds up.

FROM AUDIT → ACTION

PILOT & ITERATE

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**— GUIDES & TOOLKITS**

## For deeper technical guidance

For deeper technical guidance on establishing gender-neutral systems, you can consult the following resources:

**EIGE TOOLKIT**

**European Institute for Gender Equality.** Offers a comprehensive toolkit on gender-neutral job evaluation and classification.

[ACCESS THE EIGE TOOLKIT](#)

**EU DIRECTIVE  
2023/970**

**Read the full text of the Directive** for a complete understanding of your legal obligations.

[READ THE FULL DIRECTIVE](#)

**POINT FACTOR  
TEMPLATE**

A practical Excel tool designed to help you score roles based on objective criteria such as skills and responsibility while you prepare for full system integration.

[ACCESS THE TEMPLATE](#)

— PREPARED BY TALEXIO

# Helping you build a fairer, more transparent workplace

From salary scales and pay equity reporting to point-factor job evaluation, Talexio is building the tools that turn the EU Pay Transparency Directive from an obligation into an opportunity for your organisation.

## DISCLAIMER

This document is for informational purposes only and does not constitute legal advice. While Talexio is building tools to facilitate pay equity and compliance, we recommend that clients consult with relevant professionals to ensure their specific internal policies meet all upcoming regulatory requirements.