



— CLIENT GUIDE · 2026

The New Era of Pay Transparency.

A practical guide for Talexio's clients on Malta's Equal Pay Regulations (L.N. 173/2026), what has changed, how to comply, and how Talexio helps you get there.

— INTRODUCTION

Pay Transparency Directive: Guide for Talexio's Clients

Malta's Equal Pay (Transparency and Reporting) Regulations 2026, have officially transformed how local organisations manage and report compensation. It goes beyond a simple set of new rules. It follows the main concepts brought about by the EU Pay Transparency Directive (2023/970), 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.

Five ideas important to 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, in Malta, workers cannot be prevented from disclosing their pay to relevant authorities, employee representatives, or their chosen union for the purpose of enforcing equal pay rules. Failure to comply with these new regulations can result in increased fines and claims for full back pay, including bonuses and compensation for damages.

03 · OBJECTIVE CRITERIA

Objective, Explainable Decisions

To stay compliant, 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. This approach evaluates roles using the four key criteria mandated by the directive, which are skills, effort, responsibility, and working conditions.

04 · REPORTING OBLIGATIONS

Reporting on the Gender Pay Gap

To ensure progress is measurable, the EU's directive introduces formal reporting on the gender pay gap. These obligations will roll out in stages, allowing organisations time to align their data and internal processes before their respective deadlines. While mandatory submission dates will vary based on the size of the company, the commitment to fair pay applies to everyone. Even organisations not subject to formal reporting must maintain objective standards and be ready to provide pay data upon request. Ultimately, these reports provide a clear benchmark that helps every business prove its commitment to a fair and transparent workplace.

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 should act now

MALTA · LEGAL NOTICE 173 OF 2026

With the publication of Legal Notice 173 of 2026, the regulatory framework for Malta is officially active and fully transposes the EU Pay Transparency Directive.

Core Regulations: Employers must now use objective, gender-neutral criteria to define categories of workers, compare roles, and structure how base salary and pay progression are determined.

Immediate Impact: Core pay transparency rules are live for all employers.

Reporting Milestone: Mandatory gender pay gap reporting comes into effect for organisations with 150+ employees starting on 7th June 2027.

— 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 have been reorganised under a new Pay Management 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 (available by the end of July 2026):** 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 define factors and sub-factors to evaluate roles based on their intrinsic value to the organisation.
- **Pay Equity (available by the end of June 2026):** 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

Clean up inconsistent job titles across your organisation. Group roles into clear levels structured around the four statutory pillars of skills, effort, responsibility, and working conditions. Note that Regulation 5 requires employers with 25+ workers to maintain documented pay criteria.

02

Audit Your Actual Pay

Map all remuneration elements under Regulation 2, including basic salary, bonuses, overtime, allowances, and benefits in kind. Use Talexio's live Pay Equity Reporting feature to instantly calculate the averages and medians needed to catch gaps early.

03

Choose Your Evaluation Model

Maltese regulations require objective, gender-neutral criteria. The Point-Factor System is the most robust way to prove your pay is fair. Use our template (find it on the page 5 of this guide) to get started today and understand how it works.

04

Pilot and Launch

Avoid overhauling the whole company at once. Select two departments to test your job families and test your grading logic, ensuring your objective role classification holds up accurately before deploying it on a full scale.

FROM AUDIT → ACTION

PILOT & LAUNCH

— GUIDES & TOOLKITS

For deeper technical guidance

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

<p>L.N. 173/2026</p>	<p>Malta's Equal Pay Regulations. Review the full text of the Maltese Regulations.</p>	<p><u>READ THE REGULATIONS</u></p>
<p>DIER FAQs</p>	<p>Official DIER FAQs on pay transparency. Read the authority's guidance on the new working conditions rules.</p>	<p><u>ACCESS THE FAQs</u></p>
<p>EIGE TOOLKIT</p>	<p>European Institute for Gender Equality. Offers a comprehensive toolkit on gender-neutral job evaluation and classification.</p>	<p><u>ACCESS THE EIGE TOOLKIT</u></p>
<p>EU DIRECTIVE 2023/970</p>	<p>Read the full text of the Directive for a complete understanding of your legal obligations.</p>	<p><u>READ THE FULL DIRECTIVE</u></p>
<p>POINT FACTOR TEMPLATE</p>	<p>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.</p>	<p><u>ACCESS THE TEMPLATE</u></p>

— 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 builds 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.