



National Commission for the
Promotion of Equality

Il-Kummissjoni Nazzjonali għall-
Promozzjoni tal-Ugwaljanza

Equal Pay Tool Launch Conference

Equal Pay and the Pay Transparency Directive

Ms. Renee Laiviera- NCPE Commissioner





Outline

- Gender pay gap
- Principle of equal pay
- Equal pay in EU & MT legislation
- Pay Transparency Directive
 - What it entails?
 - What are its obligations?
 - What are its benefits?

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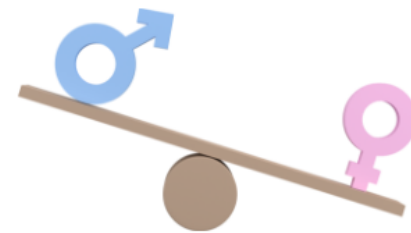


Gender Pay Gap

- Definition:

Difference between **average gross hourly earnings** of women and men employees within the economy as a whole (expressed as % of male gross earnings)

- In 2021 Malta's gender pay gap stood at **10.5%**
- gender pay gap varies amongst the different sectors.
- gender pay gap is higher in the **financial and insurance sector– 24.1% (2021, Malta)**





Reasons for the Gender Pay Gap

Gender segregation in occupational choices

Unequal share of paid and unpaid work

The glass ceiling

Part-time jobs as main occupation

Career breaks due to family responsibilities

Pay discrimination – unequal pay for same work or work of equal value

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Equal Pay for Work of Equal Value

Definition (ILO, 2013)

Non-discrimination in pay, relating to the **full range of payments and benefits**, including basic pay, non-salary payments, bonuses and allowances.

It is ***not limited to comparing people performing the same or similar tasks***. It also applies where men and women perform work that

- is different in content
- involves different responsibilities, requiring different skills or qualifications, and
- is performed under different conditions ***but is overall of equal value***.





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Equal Pay enshrined in Malta's legislation

Article 14 of the Constitution of Malta

Cap. 452 – Employment and Industrial
Relations Act

Cap. 456 – Equality between Men and
Women Act





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The principle of Equal Pay in EU legislation

- **Equal pay for equal work** one of EU's founding principles -Article 157 of the Treaty on the Functioning of the European Union (TFUE).

- **Gender 'Recast' Directive (2006) –Art.4:**

“for the same work or for work to which equal value is attributed, direct and indirect discrimination on grounds of sex with regard to all aspects and conditions of remuneration shall be eliminated.”

In particular, where a job classification system is used for determining pay, it shall be based on the same criteria for both men and women and so drawn up as to exclude any discrimination on grounds of sex.”





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NCPE Investigation of a case of unequal pay

Case– Equal Pay for Work of Equal Value

- Complaint alleged discrimination and differential treatment on the grounds of sex in pay/wage and other work-related benefits.
- Commissioner noted that while all of the managers' wages differed in amount, the gap between the male managers' wages was smaller than the one between the average male manager's wage and the complainant's wage.
- Company should strive for more transparency in the manner in which wages are set.





Pay Transparency

- March 2014: European Commission adopted Recommendation on strengthening principle of equal pay between men and women through transparency
- May 2023: EU adopted Pay Transparency Directive
- **June 2026:** Member States to transpose it into national law



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The aims of the Directive:

Main aims:

- To **empower workers** to enforce their right to equal pay through a set of binding measures (before and after employment)
- To **strengthen the transparency** of pay systems
- To **improve public understanding** of the relevant legal concepts
- To enhance the **enforcement of the rights and obligations** relating to equal pay between men and women



Pay Transparency Directive Measures (1)

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Pay transparency for job-seekers

Right to information for employees





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Pay Transparency Measures (2)

Reporting on gender pay gap

Employers with at least:

- 250 employees – yearly, starting from June 2027
- 150 employees – every three years, starting from June 2027
- 100 employees – every three years, starting from 2031

Publishing of information on pay gap between female and male workers in their organisation.





Pay Transparency Measures (3)

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Joint pay assessment

- Where pay reporting reveals a gender pay gap of at least 5% and;
- When employer cannot justify gap on objective gender-neutral factors,
- Employers to carry out a pay assessment in cooperation with workers' representatives.





Pay Transparency Directive

Access to justice for victims of pay discrimination

- **Compensation for workers** – compensation, including full recovery of back pay and related bonuses or payments in kind
- **Burden of proof on employer** – by default it is for the employer, not the worker, to prove that there was no pay discrimination
- **Sanctions to include fines** – MS to establish penalties for infringements of the equal pay rule
- **Equality bodies and workers' representatives** may act in legal or administrative proceedings on behalf of workers

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Obligations posed by the Pay Transparency Directive

Access to Information

- Compulsory for employers to inform job seekers about the **starting salary or pay range** of advertised positions, whether in the vacancy notice or ahead of the interview.
- Employers prevented from asking candidates about their **pay history**.
- Workers entitled to ask their employers for information about:
 - **average pay levels**, broken down by sex, for categories of employees doing the same work or work of equal value
 - **criteria** used to determine pay and career progression, which must be objective and gender neutral





What are the benefits of increased pay transparency?

A society that is better informed about pay systems and job grading

Increased awareness about gender-based pay discrimination

Employees who are empowered to enforce their right to equal pay

Elimination of gender bias in pay

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Thank you for your
attention!

