

Gender Pay Reporting

What's coming?

Beginning in 2017, all UK companies with at least 250 employees will have to report annually on their overall *gender pay gap* – the difference between average male pay and average female pay.

The information will be published annually on each company's website, and on a central government website, allowing comparison between companies. The first relevant pay period will be April 2016 to 2017, to be reported by April 2018:

- Average and median hourly "pay" gap (including bonus pay, shift pay, maternity pay, car allowance etc.) in the pay period of April 5
- Average "bonus" pay gap (including short-term, long-term incentives, sales commission), in the 12 months before 5 April each year
- The percentage of male and female employees who receive bonuses
- Quartile bands showing the distribution of men and women in salary quartiles

We're here to empower results:

To learn more, or to discuss with our team, please contact:

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Why does it matter?

The government's aim is to highlight gender gaps and encourage organisations to take action. There are a number of impact areas and risks for companies:



Talent & HR Brand:

- Attracting key talent to the business
- Impact on existing talent with regard to engagement and retention
- Evidence shows that diverse and inclusive firms achieve better financial results



Operational and Commercial:

- Financial cost of reworking pay systems - a major strain on the business
- Financial impact from successful equal pay claims



Litigation:

- Information in the public domain so there is potentially more employee interest in bringing forward a claim
- Possibility of class-action style claims



Reputational:

- Possibility for significant negative publicity in the press
- Pressure from trade unions and campaign groups

What can you do now?

- Ensure you are prepared to comply with the regulations (data gathering, calculation template etc.)
- Consider how to position the information in a narrative, and prepare PR and communication teams
- Start gathering information and consider whether to conduct an equal pay audit
- Take remedial action and address issues before the first reporting period

How can we help?

We offer a number of products and services to help you with these requirements, and to advance your overall diversity agenda.

1

Light Gender Pay Gap Reporting support

We review the raw data analysis used to determine the mandatory statistics, audit the working assumptions used, and review the audit trail and supplementary narrative, so that you can be confident that the mandatory requirements have been fulfilled.

2

Full Gender Pay Gap Reporting support

We project manage the Gender Pay Gap Reporting from start to finish. We collect and clean your HR data, calculate the mandatory gender gap requirements, and sign off the results.

As Gender Pay Gap figures are only an aggregate, and do not provide the full picture, with the results of the Equal Pay Audit we will help you to develop a narrative, explaining the driving factors behind your gender pay gap, and helping you provide supporting information to explain your gender gap figures to employees and to the public.

3

Equal Pay Review

We will conduct an equal pay review, looking at *equal pay* as well as the gender pay gap. We will develop an understanding of how structural inequalities can arise, which could include culture & work environment, inconsistent application of performance management, employee turnover, lack of a job evaluation framework, parental leave policies, and many others. We will provide a report with the results of our Equal Pay tests, highlighting areas of risk, which have contributed to a gender pay gap, or otherwise indicate an equal pay problem area.

4

Technical expertise and advice

There are many elements of pay to consider when analysing your information for gender pay reporting. We can provide advice on how to deal with each element to ensure that you comply with the regulations. These include; annual bonus plans, deferred bonuses, share incentive plans, executive long-term incentive plans and salary sacrifice arrangements. We will review your arrangements ensuring that the correct information is included and advising around the dates of events (e.g. vesting of awards and exercising of share options). Our team includes tax and legal professionals with expert knowledge of ITEPA 2003.

5

Long-term planning: Diversity, Inclusion, Talent Management, Risk Management

The issues of equal pay and the gender pay gap have a broad impact on an organisation, such as in employer branding, employee experience, identification of high-potential employees, recruitment and retention, performance management, and many other areas. We will help you to advance your diversity & inclusion and talent strategies and assess existing processes, so that you can be confident your organisation has minimised its risk in this area and is well-positioned to take advantage of the opportunities inherent in a diverse, engaged and productive workforce.