

A group of business professionals, including a man in a light blue shirt and tie, and two women in white shirts and blue trousers, are walking through a modern office hallway. The man is carrying a black briefcase. The woman in the middle is looking at her smartphone. The woman on the right is looking towards the camera. The hallway has large windows on the right and a concrete ceiling with exposed pipes and lights.

## EMPLOYMENT

# Gender Pay Gap Reporting in Ireland in 2022: *Guidance published*

Gender Pay Gap (GPG) reporting requirements for employers with 250 or more employees will commence in December 2022. The regulations necessary to give effect to the Gender Pay Gap Information Act 2021 (the **Act**) are still awaited but some guidance for employers has recently been published.

Employers with 250 or more employees will have to choose a snapshot date (the relevant date for the payroll data) in June 2022 and will be required to report their GPG on the same date in December 2022.

11 MIN READ





**What information will need to be published?**

1. The difference between the mean and median hourly pay of male and female employees
2. The difference between the mean and median bonus pay of male and female employees
3. The difference between the mean and median hourly pay of part-time and temporary male and female employees
4. The percentage of male and female employees who received bonuses and benefits in kind
5. The percentage of male and female employees in each of four quartile pay bands

**What is the difference between the “mean” and the “median”?**

The mean pay gap is the difference between men and women’s average hourly wage across the organisation.

The median pay gap is the difference between the middle paid woman’s and the middle paid man’s hourly wage, i.e. if the men and women are listed separately in order of pay, it is the difference in the hourly wage between the person in the middle of each list.

**Will employers be required to publish a “narrative”?**

Employers will be required to publish a statement setting out, in the employer’s opinion, the reasons for such differences and the measures (if any) being taken, or proposed to be taken, by the employer to eliminate or reduce such differences.

**How will the information be published?**

For the 2022 reporting cycle, the information must be published on the employer’s website or in some other way

in a manner that is accessible to all its employees and to the public. It must be available for a period of at least three years from the date of publication. Plans are in place to develop an online reporting system for the 2023 reporting cycle.

**What’s in the recent guidance?**

The recently published guidance consists of a set of FAQs and a guidance note on how to calculate the GPG metrics. In terms of the calculations, the guidance outlines the following steps:

- Choose the snapshot date in June 2022. The snapshot date must be in June, but may be any date in June. The deadline for publication of the GPG information is six months after the chosen snapshot date. Therefore, an employer who chooses 1 June as their snapshot date has a reporting deadline of 1 December. It is worth bearing in mind however that there is nothing to stop an employer reporting sooner than the deadline.
- The reporting period is the 12-month period immediately preceding and including the snapshot date.



- Calculate the employer's headcount of relevant employees on the snapshot date. Calculations should include employees not rostered to work on that date and employees on leave. Where the employer has 250 or more employees on the snapshot date, they should:

**Calculate the following:**

***Total ordinary pay.***

Ordinary pay is an employee's gross pay and includes:

- normal salary
- allowances
- overtime payments
- pay for piece work
- shift premium pay
- pay for sick leave
- any salary top ups for statutory leave like maternity leave/paternity leave/parent's leave
- pay during garden leave

Allowances include payments for additional duties; related to location; for the purchase, lease or maintenance of a vehicle or other

items; and for the recruitment or retention of an employee.

For the purposes of calculating hourly pay, redundancy payments can be discounted. Reimbursement for expenses, such as travel and subsistence should also be discounted.

***Total bonus***

Bonus pay is the gross bonus pay and includes all bonuses awarded to an employee for the reporting period. It includes bonus payments in the form of money, vouchers, securities, securities options, or interests in securities, or, which relate to profit sharing, productivity, performance, incentive or commission.

Bonus pay does not include any ordinary pay, overtime pay or redundancy or termination of employment payments.

***Total benefits in kind***

Benefits in kind include any non-cash benefit of a monetary value provided to an employee. This would include the provision of a company car, health insurance, stock options, or share purchase scheme.

***Total hours worked***

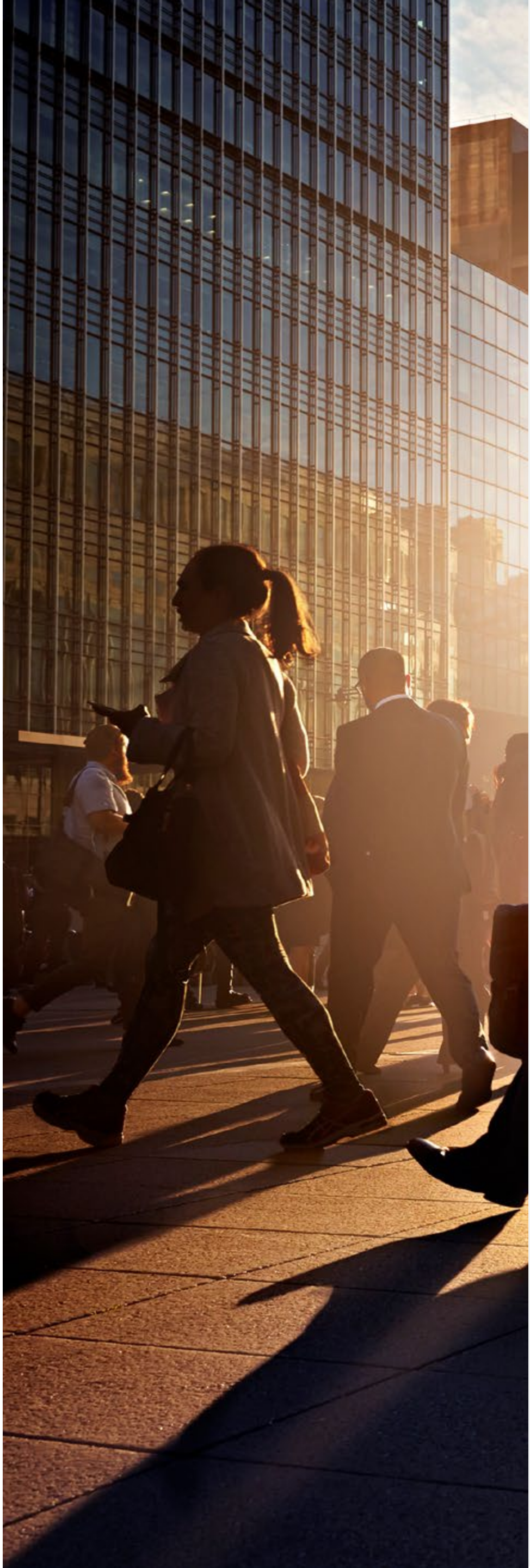
There are four methods in the guidance for calculating how hours worked are to be calculated, depending on whether (i) exact hours are recorded; (ii) whether there are set working hours; (iii) where there are no normal working hours; and (iv) whether there is piecework.

***The hourly remuneration***

Identify all payments made to the employee in respect of the reporting period.

Where an employee has received a payment in the 12-month reporting period for hours worked outside this period (e.g. back-pay) this should be excluded.

Where the bonus period is not the same as the reporting period then only the bonus relevant to the 12-month reference period should be included. If a bonus is paid within the 12-month period but includes a payment in respect of a period of time prior to those 12 months that element should be excluded. The following steps should be taken to make the calculation:





Step 1

- identify all amounts of ordinary pay and bonus pay paid to the employee during the relevant period

Step 2

- where an amount identified under step 1 is an amount of ordinary pay, exclude any amount that would normally fall to be paid in a different pay period

Step 3

- where an amount identified under step 1 is an amount of bonus pay and is paid in respect of a period which is not the same length as the relevant pay period divide the amount by the length of the bonus period (in days) and multiply it by the length of relevant pay period (in days)

Step 4

- add together the amounts identified under step 1 (adjusted as necessary in accordance with steps 2 and 3)

Step 5

- divide the amount under step 4 by the total number of hours worked by the employee in the reporting period

Note which employees were fulltime employees, part time employees or on temporary contracts over the reporting period.



***Calculate the percentage of male and female employees paid bonuses.***

By way of example, the percentage of male employees who were paid bonus should be calculated as follows:

$$(B/A) \times 100$$

Where A is the male employees and B is the male employees who were paid bonuses.

***Calculate the percentage of male and female employees who received benefits in kind.***

By way of example, the percentage of female employees who received benefits in kind should be calculated as follows:

$$(B/A) \times 100$$

Where A is the number of female employees and B is the number of female employees who were paid benefits in kind during the relevant period.

***Organise the employees into quartiles and express the proportion of male and female employees in each quartile as a percentage.***

The proportions of male and female employees in lower, lower middle, upper middle and upper pay bands can be determined as follows:

**Step 1** – determine the hourly remuneration for each male and female employee and then rank those employees in order from lowest paid to highest paid.

**Step 2** – divide the employees as ranked under step 1, into four sections each comprising an equal number of employees as far as possible, to determine the lower, lower middle, upper middle and upper quartile pay bands.

**Step 3** – the proportion of male employees within each quartile pay band must be expressed as a percentage of the relevant employees in that pay band as follows:

$$(B/A) \times 100$$

Where A is the number of employees in a quartile pay band and B is the number of employees of the male gender in that quartile pay band.

**Step 4** – the proportion of female employees within each quartile pay band must be expressed as percentage of the relevant employees:

$$(B/A) \times 100$$

Where A is the number of relevant employees in a quartile pay band and B is the number of female employees in that quartile pay band.

***Calculate the mean hourly rate of remuneration of male and female employees then calculate the GPG in mean hourly remuneration of all employees.***

The difference between the mean hourly remuneration of male employees and female employees must be expressed as a percentage of the mean hourly remuneration of male employees and is to be determined as follows:

$$\frac{(A - B)}{A} \times 100$$

Where A is the mean hourly remuneration of all male employees and B is the mean hourly remuneration of all female employees.

Do the same for male and female part-time employees and for male and female employees on temporary contracts.

***Calculate the median hourly remuneration of male and female employees then calculate the pay gap in median hourly remuneration of all employees.***



The difference between the median hourly remuneration of male and female employees must be expressed as a percentage of the median hourly remuneration of male employees and is to be determined as follows:

$$\frac{(A - B)}{A} \times 100$$

Where A is the median hourly remuneration of all male employees and B is the median hourly remuneration of all female employees.

Do the same for male and female part-time employees and for male and female employees on temporary contracts.

**Calculate the mean bonus remuneration of male and female employees, then calculate the pay gap in mean bonus remuneration of all employees.**

The difference between the mean bonus remuneration of male employees and female employees must be expressed as a percentage of the mean bonus remuneration paid to male employees and is to be determined as follows:

$$\frac{(A - B)}{A} \times 100$$

Where A is the mean bonus remuneration paid during the reporting period to male employees who were paid bonus remuneration during that period and B is the mean bonus remuneration paid during the period to female employees who were paid bonus remuneration during that period.

**Calculate the median bonus remuneration of male and female employees, then calculate the GPG in median bonus remuneration of all employees.**

The difference between the median bonus remuneration paid to male employees and female employees must be expressed as percentage of the median bonus remuneration paid to relevant employees of the male gender and is to be determined as follows:

$$\frac{(A - B)}{A} \times 100$$

Where A is the median bonus remuneration paid during the relevant period to male employees who were paid bonuses during that period and B is the median bonus remuneration paid during the relevant period to female employees who were paid bonus remuneration during that period.

### Next steps

Employers with 250 or more employees in June 2022 now need to prepare. Key steps include:

- 1. Stakeholders:** identify and work with key stakeholders, such as Finance/payroll, HR, legal and public relations at an early opportunity to ensure a collaborative approach to reporting.
- 2. Pay audit:** gather and analyse payroll data and identify the relevant “quartiles” across your employee headcount.
- 3. Initiatives:** look at the initiatives being taken to improve the GPG, such as reviewing HR policies and compensation structures and evaluating recruitment and promotion practices to identify any indirect gender bias that may impact on the GPG.
- 4. Legal advice:** seek advice at the outset to understand the detail of the requirements.



Please visit our [Gender Pay Gap hub](#) where we will continue to produce further updates, resources and guidance for employers in order to prepare for reporting their gender pay gap. For any further information in relation to this topic, please contact [Triona Sugrue](#), Knowledge Lawyer or any member of the [ALG Employment team](#).

## Key contact



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## Resources



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