

Pay Transparency Spotlight

Is Your Organisation Ready to Respond to an Employee Pay Information Request?

The EU Pay Transparency Directive must be transposed into Irish law by June 7th. With preparation time running out, Organisations need to move quickly from awareness to action. While most attention to date has focused on gender pay gap reporting obligations, one particular provision is likely to have a more immediate and practical impact on Irish Organisations: the right of Employees to request pay information.

What Is a Pay Information Request?

Once transposed into Irish law, Employees will have the right to receive information on their individual pay level and the average pay levels, broken down by sex, in categories of workers performing work of equal value to theirs. Employees will also have the option to receive the information through workers' representatives or through an equality body.

For many Organisations, the challenge will not be the request itself but whether they are ready to respond in a clear, compliant way and provide pay data that is objectively justifiable. This marks a clear shift from the status quo where pay is largely a confidential matter to a new era where pay information is something that must be made available to Employees. Organisations must also be prepared to defend any pay differentials that come to light based on objective, gender-neutral criteria.

Organisations should also note that all Employees will have this right to receive pay information. There is no exemption for Organisations with smaller headcounts.

Why This Matters for Irish Organisations

In Ireland, where two people are performing work that is the same or of similar value, they should be paid a similar rate of pay, or equal pay. This legal principle has been protected in Irish law since the 1970s. Where Employees do not have access to pay information however, they are not in a position to enforce their right to equal pay. The Directive aims to address this lack of bargaining power by providing Employees with a right to receive pay information from their Employer.

In responding to an Employee request, Organisations should note the following:

- Two-month timeframe: the information must be provided no later than two months after the request is submitted.
- Categorisation of Employees: Organisations will need to identify categories of Employees carrying out work of equal value.
- Third party requests: Employees will also have the option to receive the information through workers' representatives or through an equality body (transposing legislation required to confirm details of this form of request).
- Annual reminders: Organisations must diary an annual reminder to Employees concerning this right to pay information and how it can be exercised.
- Restrictions on use of pay information: Employers will no longer be permitted to include a contractual obligation prohibiting Employees from disclosing their pay. It is notable that the Directive prohibits pay secrecy that obstructs the enforcement of the principle of

equal pay. It would follow that Employers will still be able to prohibit Employees from making general disclosures of pay levels that are not connected to the enforcement of the principle of equal pay.

For Organisations without formal job architecture, pay frameworks or documented pay decision processes, meeting these pay information requirements is likely to pose a significant challenge.

Common Readiness Gaps We See

In working with Irish Organisations, several recurring issues emerge when assessing readiness for pay information requests:

- Inconsistent job or role scopes, making comparisons difficult
- Ad hoc pay decisions over time that have not been formally documented
- Legacy pay arrangements that no longer align with current roles
- Limited visibility over how pay practices operate
- Reliance on market benchmarking without clear internal pay logic

While none of these are unusual, they will be problematic when an Organisation is required to provide pay information to Employees together with objective, gender neutral reasons for any patterns that emerge in the pay data.

Practical Steps to Take Now

Although there is still no clarity on the form or content of Ireland's transposing legislation, Organisations can take meaningful steps now to prepare.

Key actions include:

- 1. Develop a job map/define job categories**

'Categories of workers' includes not only Employees performing the same role but also roles of equal value. Organisations will need to establish methodologies to guide the assessment of work of equal value. Preparation could begin by mapping out work of equal value using the criteria set out in the Directive which include skills, effort, responsibility and working conditions.

- 2. Assessment of pay data systems**

Existing payroll systems may not have the capability to extract pay data for categories of workers. Organisations should consult with payroll providers to assess readiness for accessing and providing the required pay data.

- 3. Run a test case**

Organisations could consider running test cases which would identify any shortcomings in the process for dealing with requests as well as potential pay differentials that are not objectively justifiable by gender neutral criteria.

- 4. Prepare HR and management teams**

Those responding to pay information requests will need guidance, training and clear internal processes.

How Adare Can Help

Preparing for pay information requests under the EU Pay Transparency Directive requires more than a policy update, it requires confidence in your pay structures, your pay data and your decision-making processes.

We support Irish Organisations by:

- Assessing readiness for Employee pay information requests
- Supporting the development of clear job architecture and role categorisation aligned with 'work of equal value' principles
- Reviewing pay structures, pay ranges and progression frameworks to ensure they are objective and defensible
- Conducting pay risk and equal pay assessments ahead of Employee requests
- Advising on practical processes for responding to pay information requests clearly, consistently and compliantly
- Supporting HR and leadership teams with guidance, training and communications as pay transparency obligations evolve

Adare is a team of expert-led Employment Law, Industrial Relations and best practice Human Resource Management consultants. If your Organisation needs advice, support, or guidance about pay transparency compliance requirements or any HR issues, please contact Adare by calling 021 486 1420 or emailing info@adarehrm.ie to learn what services are available to support your business.