

New Bill gives employees the right to know colleagues' salaries and expands pay reporting obligations

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New Bill gives employees the right to know colleagues' salaries and expands pay reporting obligations

A new Bill seeking to increase transparency in the field of

equal pay and expand pay reporting obligations to smaller organisations has begun its passage through Parliament. In this briefing we bring you up to date with what is proposed.

What is the Equal Pay Information and Claims Bill 2019 – 2021 about?

The Equal Pay Information and Claims Bill 2019 – 2021 (**EPIC Bill**) is a Private Members' Bill launched by the Labour MP Stella Creasy on 20 October 2020. The EPIC Bill seeks to increase transparency in the field of equal pay and expand pay reporting obligations. The main aspects of the EPIC Bill are as follows:

- **Right to know what colleagues are paid:** employees would be given the legal right to know what their colleagues are paid as a means to promoting pay equality. Introducing the EPIC Bill, Stella Creasy MP said “pay discrimination is prevalent because it is hard to get transparency”. The gender equality charity, the Fawcett Society, who helped to draft the EPIC Bill, highlighted research showing that 6 out of 10 working women do not know whether they are being paid less than a male comparator and only 3 out of 10 believed that their employer would tell them the answer if they asked the question.
- **Expansion of gender pay gap reporting:** gender pay gap reporting came into force on 6 April 2017 for organisations with 250 or more employees. Under the current rules, organisations are required to report certain gender pay information annually, including their mean and median gender pay gaps. The EPIC Bill seeks to expand the obligations by reducing the threshold to organisations with 100 or more employees and introducing a new requirement to publish an action plan for closing the gap. The Office of National Statistics has published data showing that the gender pay gap amongst organisations with between 10 and 249 employees is

higher than those with 250 or more employees. Accordingly, the expansion of gender pay gap reporting to smaller organisations may well provoke unrest amongst female workers and, in turn, lead to more questions being asked about how their pay compares to specific male colleagues (potentially leading to equal pay claims).

- **Introduction of ethnicity pay reporting:** organisations with 100 or more employees would also be required to publicly report their ethnicity pay gap. Although ethnicity pay reporting has been on the Government's "to do" list for some time, it has not yet found its way into law. One of the recommendations coming out of the 2017 McGregor-Smith "Race in the Workplace" report was that larger employers (i.e. those with 250 or more employees) should be required to publish ethnicity pay information. In October 2018, Theresa May's Government opened a consultation on the introduction of mandatory ethnicity pay reporting. However, that consultation closed in January 2019 and no action has yet been taken to introduce relevant legislation.

The EPIC Bill also contains measures aimed at reforming remedies and time limits relating to equal pay, providing a right to equal pay where a single source can rectify the inequality and requiring the statement of employment particulars to include equal pay.

Is the EPIC Bill likely to become law?

Although Private Members' Bills generally don't make their way onto the statute books, the EPIC Bill has cross party support and so has some chance of doing so. The Fawcett Society is confident that it will become law given the cross-party and wider public support.

The second reading of the EPIC Bill is due to take place in the House of Commons on 13 November 2020. However, it will

need to complete three further stages in the Commons and then repeat the whole process in the House of Lords before coming into law – it remains to be seen whether sufficient Parliamentary time will be made available. We will keep you updated on the progress of the EPIC Bill over the coming months.

[Equal Pay Information and Claims Bill 2019 – 2021](#)

If your business needs advice on equal pay or pay reporting obligations please contact Amanda Steadman (amandasteadman@bdbf.co.uk) or your usual BDBF contact.

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